

Union Calendar No. 277

100th Congress, 1st Session

S. Rept. No. 100-216

H. Rept. No. 100-433

Report of the Congressional Committees Investigating the

Iran-Contra Affair

Appendix B: Volume 26
Depositions

Daniel K. Inouye, *Chairman*,
Senate Select Committee
Lee H. Hamilton, *Chairman*,
House Select Committee

U.S. Senate Select Committee
On Secret Military Assistance to Iran
And the Nicaraguan Opposition

U.S. House of Representatives
Select Committee to Investigate
Covert Arms Transactions with Iran

November 13, 1987.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed.

November 17, 1987.—Ordered to be printed.

Washington : 1988

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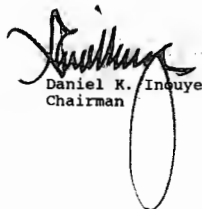
March 1, 1988

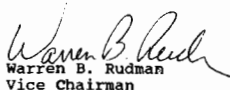
Honorable John C. Stennis
President pro tempore
United States Senate
Washington, D.C.

Dear Mr. President:

We have the pleasure to transmit herewith, pursuant to Senate Resolution 23, Appendix B to the final Report of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. We will submit such other volumes of Appendices to the Report as are authorized and as they become available.

Sincerely,


Daniel K. Inouye
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March 1, 1988

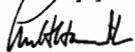
The Honorable Jim Wright
Speaker of the House
U. S. Capitol
Washington, D. C. 20515

Dear Mr. Speaker:

Pursuant to the provisions of House Resolutions 12 and 330 and House Concurrent Resolution 195, 100th Congress, 1st Session, I transmit herewith Appendix B to the Report of the Congressional Committees Investigating the Iran-Contra Affair, House Report No. 100-433, 100th Congress, 1st Session.

Appendix B consists of the depositions taken by the Select Committees during the investigation. The contents of Appendix B have been declassified for release to the public.

Sincerely yours,


Lee H. Hamilton
Chairman

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C/CATF.

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Chatham, Benjamin P.
CIA Air Branch Chief.
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CIA Air Branch Subordinate.
CIA Chief.
CIA Communicator.
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Preface

The House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, under authority contained in the resolutions establishing them (H. Res. 12 and S. Res. 23, respectively), deposed approximately 290 individuals over the course of their 10-month joint investigation.

The use of depositions enabled the Select Committees to take sworn responses to specific interrogatories, and thereby to obtain information under oath for the written record and develop lines of inquiry for the public hearings.

Select Committees Members and staff counsel, including House minority counsel, determined who would be deposed, then sought subpoenas from the Chairmen of the Select Committees, when appropriate, to compel the individuals to appear in nonpublic sessions for questioning under oath. Many deponents received separate subpoenas ordering them to produce certain written documents.

Members and staff traveled throughout the United States and abroad to meet with deponents. All depositions were stenographically reported or tape-recorded and later transcribed and duly authenticated. Deponents had the right to review their statements after transcription and to suggest factual and technical corrections to the Select Committees.

At the depositions, deponents could assert their fifth amendment privilege to avoid self-incrimination by refusing to answer specific questions. They were also entitled to legal representation. Most Federal Government deponents were represented by lawyers from their agency; the majority of private individuals retained their own counsel.

The Select Committees, after obtaining the requisite court orders, granted limited or “use” immunity to about 20 deponents. Such immunity means that, while a deposed individual could no longer invoke the fifth amendment to avoid answering a question, his or her compelled responses—or leads or collateral evidence based on those responses—could not be used in any subsequent criminal prosecution of that individual, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the court order.

An executive branch Declassification Committee, located in the White House, assisted the Committee by reviewing each page of deposition transcript and some exhibits and identifying classified matter relating to national security. Some depositions were not reviewed or could not be declassified for security reasons.

In addition, members of the House Select Committee staff corrected obvious typographical errors by hand and deleted personal and proprietary information not considered germane to the investigation.

In these *Depositions* volumes, some of the deposition transcripts are followed by exhibits. The exhibits—documentary evidence—were developed by Select Committees’ staff in the course of the Select Committees’ investigation or were provided by the deponent in response to a subpoena. In some cases, where the number of exhibits was very large, the House Select Committee staff chose for inclusion in the *Depositions* volumes selected documents. All of the original

exhibits are stored with the rest of the Select Committees' documents with the National Archives and Records Administration and are available for public inspection subject to the respective rules of the House and Senate.

The 27 volumes of the *Depositions* appendix, totalling more than 30,000 pages, consist of photocopies of declassified; hand-corrected typewritten transcripts and declassified exhibits. Deponents appear in alphabetical order.

Publications of the Senate and House Select Committees

Report of the Congressional Committees Investigating the Iran-Contra Affair,
1 volume, 1987.

Appendix A: *Source Documents*, 2 volumes, 1988.

Appendix B: *Depositions*, 27 volumes, 1988.

Appendix C: *Chronology of Events*, 1 volume, 1988.

Appendix D: *Testimonial Chronology*, 3 volumes, 1988.

All publications of the Select Committees are available from the U.S.
Government Printing Office.

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Committee Hearings

of the

U.S. HOUSE OF REPRESENTATIVES

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PAGE 1

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1 RPTS SULLIVAN

2 DCMN SULLIVAN

4 DEPOSITION OF CLYDE H. SLEASE, III

6 Thursday, June 11, 1987

8 House of Representatives,

9 Select Committee to Investigate

10 Covert Arms Transactions with Iran,

11 Washington, D.C.

14 The select committee met, pursuant to call, at 10:09 a.m.
15 in room H-328, the Capitol, with Thomas Fryman presiding.

16 On behalf of the House Select Committee: Thomas Fryman,
17 staff counsel; R. Spencer Oliver, associate staff; Bill
18 Davis, investigator; and Kenneth R. Buck, assistant minority
19 counsel.

20 On behalf of the Senate Select Committee: Lawrence Embrey,
21 investigator.

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UNCLASSIFIED PAGE 2

22 . MR. FRYMAN: Okay, would you swear the witness?
23 . Whereupon,
24 . CLYDE H. SLEASE, III
25 was called for as a witness and, having been duly sworn, was
26 examined and testified as follows:
27 . EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE:
28 . BY MR. FRYMAN:
29 . Q Mr. Slease, would you state your full name for the
30 record, please?
31 . A Clyde H. Slease, III.
32 . Q Where do you reside, Mr. Slease?
33 . A Ligonier, Pennsylvania. L-I-G-O-N-I-E-R.
34 . Q And what is your occupation?
35 . A I'm a lawyer.
36 . Q What day were you born?
37 . A [REDACTED]
38 . Q And what is your Social Security number?
39 . A [REDACTED]
40 . Q When were you admitted to the bar?
41 . A 1969.
42 . Q And that's in Pennsylvania?
43 . A In Pennsylvania.
44 . Q Any other States?
45 . A I'm also admitted in the District of Columbia.
46 . Q Where did you attend law school?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR162000

PAGE 3

47 . A The University of Pittsburgh, School of Law.
48 . Q Graduated in '69?
49 . A Yes.
50 . Q And where did you obtain your undergraduate degree?
51 . A Duke University.
52 . Q What year?
53 . A 1966.
54 . Q Did you serve in the military?
55 . A No.
56 . Q Now, beginning in 1969 after graduation from law
57 school, have you been employed as a lawyer? Have you worked
58 as a lawyer since then?
59 . A Yes.
60 . Q Would you describe the various positions that you
61 have held?
62 . A Sure. From 1969 until, say from June or July of
63 '69, until March of 1971, I worked at Thorp, Reed and
64 Armstrong, which is a law firm in Pittsburgh.
65 . Q And you were an associate there?
66 . A I was an associate there.
67 . Q And what was your particular area of practice?
68 . A Estates and trusts, domestic, corporate; some tax.
69 . Q And after March of 1971?
70 . A It was probably March or February of that year I
71 went to the district attorney's office of Allegheny County.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR162000

PAGE 4

72 and I was the administrative assistant to the district
73 attorney of Allegheny County.

74 Q How long did you continue in that position?

75 A Until January of--January of 1972, when I became a
76 senior attorney in the general counsel's office of the
77 Federal Communications Commission.

78 Q That was here in Washington, D.C.?

79 A In Washington.

80 Q What were your responsibilities in that position?

81 A I was in charge of the common carrier section of
82 the Communications Commission and also political
83 broadcasting rules which were just being adopted then, and
84 then general--and other times general agenda work through the
85 general counsel's office in the Commission.

86 Q How long did you continue in that position?

87 A Until March of 1974.

88 Q What did you do after that?

89 A I returned to Pittsburgh and became general counsel
90 for Richard M. Scaife and his family and entities.

91 Q And how long did you continue in that position?

92 A Until September 19, 1986.

93 Q In that position, did you have other people
94 reporting to you?

95 A Not in house.

96 Q You had outside counsel reporting to you?

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97 . . A We had outside lawyers, yes.

98 . . Q What was the nature of your duties as general

99 counsel to Mr. Scaife? And I believe that is spelled S-C-A-

100 I-F-E.

101 . . A Yes.

102 . . I handled his personal legal matters, any personal

103 legal matters that came up for the family, and I was general

104 counsel to the newspapers and radio station that he and we

105 owned, and I was a trustee of several of the family trusts.

106 . . Q You mentioned radio stations "that he and we

107 owned." Does that mean you owned--

108 . . A We owned part of a radio--I owned part of a radio

109 station on which he is the majority shareholder in

110 Pittsburgh, Pennsylvania.

111 . . Q Which station is that?

112 . . A Station KQV.

113 . . Q KQV?

114 . . A Yes.

115 . . Q Mr. Scaife is a member of the Mellon family?

116 . . A Yes.

117 . . Q Did you have any other personal investments in

118 businesses along with Mr. Scaife?

119 . . A No.

120 . . Q Would you describe Mr. Scaife's activities as

121 basically those of an investor, or does he have a more

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122 active role in particular businesses?

123 . A I don't see what relevance that has to the

124 proceedings.

125 . Q Are you declining to answer?

126 . A I just don't see what--he would be the best

127 descriptor of that. He is a newspaper publisher, a private

128 investor.

129 . Q Since September 19, 1986, what have you done?

130 . A I've been retired.

131 . Q What was the reason you left the employment with

132 Mr. Scaife?

133 . A To take a year off.

134 . Q Is this in the nature of a sabbatical?

135 . A No. Just taking a year off.

136 . Q Do you expect to go back to work for him?

137 . A No.

138 . Q Do you know a gentleman named Roy Godson?

139 . A Yes.

140 . Q When did you first meet Mr. Godson?

141 . A Probably middle or late '70's.

142 . Q What was he doing when you first met him? What was

143 his position or professional activity?

144 . A The best I knew, he was a professor at Georgetown

145 University and was working for the National Strategy

146 Information Center.

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147 . Q How did you happen to meet him?
148 . A Through friends.
149 . Q And you met him when you were working in Washington
150 for the FCC?
151 . A No. After I returned to Pittsburgh.
152 . Q Did you meet him through friends in Pittsburgh?
153 . A Through friends in Pittsburgh.
154 . Q Was he in Pittsburgh and you met him or--
155 . A No. I just--they happened to know him, and I met
156 him somehow.
157 . Q What do you understand are the activities of the
158 National Strategy Information Center?
159 . A They do research on various projects involving
160 national security; publish monographs on topics that involve
161 national security, foreign policy; hold seminars.
162 . Q Have you attended any of their seminars?
163 . A I'm sure I have, yes.
164 . Q After first meeting Mr. Godson in the middle or
165 late 1970's, how frequent has your contact been with him?
166 And to try to quantify the question, if there is any average
167 number of times, how many times would you see him or talk
168 with him within a year since you first met him?
169 . A Well, I really didn't get to know him well or
170 really see him probably until the early '80's, and then
171 maybe a couple of times a year.

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172 . Q How did you happen to get to know him well in the
173 early 1980's?

174 . A Oh, I just think through the National Strategy
175 Information Center and the fact that I would come to
176 Washington on business. They had an office here, and I
177 would just drop in and see him, in effect, just chat about
178 things about which we had a mutual interest.

179 . Q Was there any relationship between Mr. Godson and
180 Mr. Scaife or any of his foundations or business
181 enterprises?

182 . A Well, other than the fact that some of our
183 charitable entities gave money to the National Strategy
184 Information Center.

185 . Q That's some of Mr. Scaife's--

186 . A Charities that were set up in Pittsburgh.

187 . Q Did you meet Mr. Godson originally through Mr.
188 Scaife?

189 . A Not through Mr. Scaife, I don't think.

190 . Q Through some member of the Mellon family?

191 . A No.

192 . Q Did you get to know him better in connection with
193 these contributions from Mr. Scaife's foundations? Was that
194 the basis for--

195 . A Well, essentially, and I was a trustee, and so one
196 of my duties as a trustee was follow-up, which was required

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197 by the IRS, to find out whether the people are doing with
198 the money what they say they are going to do with the money,
199 and that's sort of how I got to know Roy.

200 . Q Was this a particular foundation that made a
201 contributions?

202 . A Gosh, I guess the contributions probably came from
203 the ~~Sara Seaside Foundation~~ and also from the ~~Carthage~~
204 ~~Foundation~~.

205 . Q The Carthage--

206 . A Carthage Foundation.

207 . Q Were these regular contributions of approximately a
208 certain amount each a year, or did the amounts vary from
209 year to year?

210 . A I can go through this, but I don't--I thought I was
211 down here to testify about what it says on the subpoena, not
212 how we ran our charitable operations.

213 . Q Well, I think your relationship with Mr. Godson is
214 a significant subject of this deposition, and I think it's
215 appropriate to inquire into the background.

216 . A Well, I disagree, but in any event, no. Like any
217 other grantee, they would make requests every year because
218 they had certain programs that they wanted funded or
219 partially funded, and they would apply, and the trustees
220 would meet and decide whether or not to grant them x amount
221 of dollars up to the amount that they requested or less.

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222 . Q And you were a trustee of the Sara Scaife
223 Foundation?
224 . A Yes.
225 . Q And also the Carthage Foundation?
226 . A Yes.
227 . Q And part of your responsibilities was to have
228 contact with the NSIC, which was a recipient of grants from
229 these foundations?
230 . A Yes.
231 . Q Now you first met Mr. Godson in the mid-1970's, but
232 I gather from your answers your contact with him until the
233 early 1980's was very sporadic.
234 . A That's right, you know, and maybe I didn't meet him
235 till 1979, I don't know, but it was, I knew of him, and I'm
236 sure I had met him.
237 . Q But beginning in the early 1980's, there has been a
238 more regular contact between you and Mr. Godson?
239 . A Sure.
240 . Q And you would meet him or talk with him at least
241 several times a year.
242 . A Yes.
243 . Q Now certain of those discussions, I gather from
244 your answer, related to the grants from these foundations.
245 Were other contacts unrelated to the grants? Did you have
246 social contacts with Mr. Godson or other types of business

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247 contacts with him?

248 . A It was mainly just in relation to the grants

249 the fact that we had become friends.

250 . Q Who made the decision with respect to grants

251 these foundations to Mr. Godson? Was that Mr. Scaife,

252 was that you, or was that the trustees as a group?

253 . A Well, there were never any grants to Mr. Gods

254 . Q To the NSIC then.

255 . A Those decisions were made by the trustees.

256 . Q Was Mr. Godson's contact with you? Was the r

257 for a grant to you or to someone else?

258 . A No. It was to the grant officer of the found

259 . Q Do you know a woman named Faith Whittlesey?

260 . A Yes.

261 . Q When did you first meet her?

262 . A Probably 1974 or '75.

263 . Q Where did you meet her for the first time?

264 . A I don't see what relevance this has to anything

265 that's listed here in this schedule or the subpoena.

266 . Q Well, I do.

267 . A I mean you could go through the list of every

268 know in the world that has no relevance to this.

269 . Q Well, we think it has significant relevance,

270 have a number of questions about your relations with

271 Ambassador Whittlesey, and I intend to ask those quest

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272 If you decline to answer, then, you know, we will take
273 whatever steps we need to take, but I will put the
274 questions, and you can make your own decision.

275 . Now the question is, when did you first meet her,
276 and what were the circumstances?

277 . A Well, I met her in Pennsylvania probably in 1974
278 and '75 when she was going to run for lieutenant governor.

279 . Q What was her position then? Was she in business?

280 . A I think she was in the State legislature.

281 . Q And when you first met her, you were general
282 counsel to Mr. Scaife?

283 . A Yes.

284 . Q Now how frequent has your contact been with her
285 since the 1970's? And I realize that question may be
286 difficult to answer as phrased, so let me try to rephrase
287 it. During the 1970's, approximately how many times a year
288 would you have any contact with her, either meeting her or
289 speaking with her on the phone?

290 . A Why don't we do this? Why don't you tell me what
291 the relevance of this is to the subpoena? Because I'm not
292 going to go through my relationship with everybody I know
293 that you may ask me, because I don't think it has any
294 relevance to why I'm here under the direction of this
295 subpoena. If you can show me how you think it's relevant,
296 I'll be happy to, you know, make my judgment then.

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297 . Q Well, I will get into more specifics with
298 Ambassador Whittlesey, but particularly you had meetings
299 with her in Switzerland in December of 1985. There were
300 various dinners in Switzerland which she arranged with
301 friends of yours which are reflected in expense reports that
302 she turned in, and I want to know answers and the
303 circumstances.

304 . A Well, what relevance does that have to this
305 subpoena?

306 . Q Well, that is for me to decide and not you.

307 . A It's really for the committee to decide.

308 . Q Well, that's right, and I'll pose the questions,
309 and if you decline to answer, you can do so, and the
310 committee can decide.

311 . Now I've a pending question, and you can either
312 answer it, or you can refuse to answer it.

313 . A Well, I mean I don't have anything to hide, but I
314 think that it's highly irrelevant. I would see her, I don't
315 know, in the '70's infrequently, maybe once a year.

316 . Q Now did there come a time in the 1980's when you
317 began to see her more frequently?

318 . A Probably.

319 . Q When?

320 . A Probably when she was appointed Ambassador to
321 Switzerland.

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322 . Q When was that?

323 . A Some time in--probably some time in 1981.

324 . Q So you began to see her more frequently and have

325 more frequent contacts with her after she moved to

326 Switzerland?

327 . A Probably, yes.

328 . Q What caused you to have more contact with her after

329 her move to Switzerland?

330 . A She was a friend.

331 . Q She had been a friend from the 1970's?

332 . A Yes.

333 . Q That you had seen maybe once a year?

334 . A Once or twice a year.

335 . Q And then she goes to Switzerland, and you begin to

336 see her more frequently?

337 . A Yes.

338 . Q Did you visit her in Switzerland several times?

339 . A Once--twice when she--once when she was there the

340 first time--twice when she was there the first time; twice

341 when she was there the first time.

342 . Q What do you mean by "the first time"?

343 . A Well, she came back to the United States, worked in

344 the White House, and then was reappointed.

345 . Q And the period of service the first time began in

346 1981?

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347 . A I don't know the exact date. I assume after the
348 President was sworn in, and then he nominated her, and she
349 was confirmed and was sent over.

350 . Q Okay. So you visited her twice when she was there
351 the first time. Then she came back to the United States,
352 and then she went back to the embassy in Switzerland. Is
353 that correct?

354 . A Yes.

355 . Q How many times have you visited her there since she
356 went back?

357 . A I don't think I've visited her there in Switzerland
358 at all since she's been back, though I may have; I'm just
359 trying--no, I'm not so sure. I was there, but she wasn't
360 there.

361 . Q Did you stay at her residence?

362 . A Yes.

363 . Q When was that?

364 . A Well, in December of--gosh--'85. Yes, I think it was
365 December of '85.

366 . Q Now were your meetings and communications with her
367 in the 1980's, when she was in Switzerland, of a business or
368 professional nature, or was this a personal relationship?

369 . A Purely social.

370 . Q And the time you were there in 1985, you stayed at
371 her residence, but at your recollection you did not see her

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372 during that visit?

373 . A Oh, that visit I saw her.

374 . Q In December of 1985. Was there another visit when

375 you did not see her?

376 . A March of this year.

377 . Q How long were you there in March of this year?

378 . A Two nights.

379 . Q Do you know a gentleman named Herbert Barnes?

380 . A Yes.

381 . Q Who is Mr. Barnes?

382 . A A businessman.

383 . Q Is he in Pittsburgh?

384 . A Outside of Philadelphia.

385 . Q What is the nature of his business?

386 . A I don't know everything that Herb does.

387 . Q Well, tell me what you do know.

388 . A I think he is involved in real estate, and that's

389 about all that I know.

390 . Q How do you happen to know him?

391 . A We're on the Pennsylvania Judicial Selection

392 Commission.

393 . Q When did you first meet Mr. Barnes?

394 . A Oh, probably in the early '80's.

395 . Q How did you meet him?

396 . A I don't know. Probably through friends, a

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397 political function.

398 . Q On the average, how many times a year have you seen

399 Mr. Barness or spoken with him since you met him?

400 . A Two or three times. Sometimes more before judicial

401 meetings.

402 . Q Has that been your only professional contact with

403 Mr. Barness, your service together on the Judicial Selection

404 Commission?

405 . A Yes.

406 . Q Do you have any other business contacts with him?

407 . A No.

408 . Q Does the Scaife Foundation or any of the Scaife

409 interests?

410 . A Not to my knowledge.

411 . Q Mr. Slaase, have you ever been approached by anyone

412 requesting any sort of contribution relating to Nicaragua?

413 . A What do you mean, "relating to Nicaragua"?

414 . Q A contribution to be provided to [REDACTED]

415 [REDACTED] or to be used in connection with activities in

416 Nicaragua.

417 . A You're going to have to be a little bit more

418 specific.

419 . Q Well, let's put it this way. Did anyone ever ask

420 you, either you personally or to you as a representative of

421 the Scaife family, to make any sort of contribution and in

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422 the request to you the word "'Nicaragua'" was mentioned?
423 . A To me as an individual, yes. As a representative
424 of the Scaife family, never.
425 . Q To you as an individual, did that occur on more
426 than one occasion?
427 . A Actually, no one ever asked me to make a
428 contribution using the word "'Nicaragua.'"
429 . Q Well, you earlier answered yes to my question, so
430 what did you have in mind when you answered yes?
431 . A Well--well, when I thought about it: he asked me
432 personally to make a contribution, and the answer is, no one
433 ever asked me to make a contribution, no.
434 . Q Well, you've got me confused by your answer.
435 . A Well, when I said yes, that was an incorrect answer
436 to your question when I thought about it. I was never asked
437 by anybody for me personally to make a contribution. Define
438 "'contribution.'" I assume you mean dollars.
439 . Q Yes.
440 . A The answer is no.
441 . Q Were you asked to arrange for a contribution or to
442 find someone else to make a contribution?
443 . A Yes.
444 . Q And did that occur on just one occasion or more
445 than one occasion?
446 . A One and a half occasions.

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447 . Q So it's more than one?

448 . A Sort of.

449 . Q Who made that request to you?

450 . A Mr. Godson.

451 . Q When was that?

452 . A Probably the spring of 1985.

453 . Q Now was that the one occasion? I want to

454 distinguish between the one occasion and the half occasion.

455 . A Well, when you say the word "Nicaragua," I mean

456 that's, you know, that's vague. No one ever asked me to

457 make a contribution to Nicaragua or solicit contributions

458 for Nicaragua.

459 . Q No. I think my question was that they asked you

460 for a contribution and in the conversation the word

461 "Nicaragua" was mentioned. I didn't intend to say that

462 they specifically asked you for a contribution or to arrange

463 a contribution to Nicaragua. I was trying to--

464 . A Yes, okay. I understand now.

465 . Q So you received such a request from Mr. Godson on

466 one occasion.

467 . A On one occasion, he asked me if I would be willing

468 to help in a project that involved Nicaragua, yes.

469 . Q That was the thrust of my question.

470 . A No. Actually, "Central America" were his words.

471 . Q And you said there was another half occasion, and

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472 I'm not sure--

473 . A Well, I'd say that was the half.

474 . Q What was the one then? You said there were one and

475 a half occasions.

476 . A When I met with Robert McFarlane and Oliver North.

477 . Q Now the call from Mr. Godson was in the spring of

478 1985?

479 . A I think so.

480 . Q Some time in 1985?

481 . A Oh, yes.

482 . Q Did he call you at your office in Pennsylvania?

483 . A Yes, but I actually think he was in Pittsburgh for

484 some reason, and we talked about it.

485 . Q Had you seen him during his visit to Pittsburgh?

486 . A That's--yes.

487 . Q Do you know what he was there for?

488 . A No.

489 . Q Was it related to the Scaife family in any way?

490 . A I don't have any idea; I really don't recall.

491 . Q What did he say to you, as best you recall?

492 . A As best as I recall, it was at lunch time, and

493 he--we were outside my office, and he asked me if I would be

494 willing to help if anything ever arose on any special

495 projects involving Central America.

496 . Q You say this was outside your office. So was this

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497 | a face-to-face meeting you had with him?

498 | . A Yes.

499 | . Q Do you know the reason he was at your office?

500 | . A I really don't recall whether he may have just been

501 | passing through and had time between planes or whether he

502 | was there for, you know, for a visit. I don't know whether

503 | he was specifically in our office or maybe was seeing other

504 | people in Pittsburgh. I really don't recall.

505 | . Q But in any case, he came by your office.

506 | . A Yes.

507 | . Q And you spoke with him.

508 | . A Or he was staying in town and maybe didn't even

509 | come by my office. I think I just met him during my lunch

510 | time.

511 | . Q Did you have lunch with him?

512 | . A No.

513 | . Q You met him at a club, or you met him--

514 | . A No. I think we just walked around Mallon Square.

515 | . Q Just to try to clarify this, as I understand it, he

516 | called you and said, 'I'd like to talk to you about

517 | something,' and then he comes by and--

518 | . A Yes, that's--

519 | . Q --and you spend 10 minutes walking around the

520 | square.

521 | . A Or longer, yes. That's essentially it.

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522 . Q "Nice day," and--

523 . A Yes. I mean this wasn't probably the only thing we
524 talked about.

525 . Q Okay.

526 . In 1985, had you been having more frequent contact
527 with Mr. Godson than you had in earlier years?

528 . A Probably '84, '85, he was in the midst of writing a
529 book and wanted help on--he was writing a book on Soviet
530 disinformation and wanted some help on how to get his book
531 publicity, and so I had more frequent contacts with him,
532 helping him do that and talking about how you go about doing
533 that--you know, talk shows, and television appearances, and
534 speeches, presentations--things like that.

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535 . Q Why would he turn to you on that matter? Was that
536 related to your--

537 . A Just because we were friends and because I knew
538 something about that.

539 . Q And about the radio industry and the newspaper--

540 . A And about presentations. It was a subject that
541 we--you know, we had a mutual interest, and so I was familiar
542 with the subject, and I was a good source on how to get your
543 point across.

544 . Q So in '84 and '85, how many total times would you
545 say you had met with him or spoken with him?

546 . A Gosh, I couldn't--I couldn't tell you. I don't
547 know.

548 . Q More than 20? Focusing on '84, more than 20 times?

549 . A That--that's hard to say. I mean that may be a good
550 number.

551 . Q You had frequent contacts with him?

552 . A Frequent, yes, sure. Sure. I talked to him once a
553 month or so, sometimes more often.

554 . Q And one subject of the meetings or discussions with
555 him was promotion for the book that he was writing?

556 . A That was basically 95 percent of it.

557 . Q Was the subject of grants to the NSIC from the
558 foundations another subject?

559 . A Not really. Not really. I don't recall whether we

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560 specifically provided funds for this or whether this was
561 being done out of their general operating budget. I don't
562 know. I was just someone he could turn to because we knew
563 each other.

564 Q Now returning to the day when he called you and you
565 believe you walked around Mellon Square, what do you recall
566 about what he said on that occasion?

567 A He asked me if I would be interested in working on
568 some special projects if anything came about involving
569 Central America.

570 Q Did you ask him any questions about what he was
571 referring to?

572 A Well, my comments were that I would be happy to
573 help, that I wasn't going to do anything for the--for the
574 contras, because I had no idea what the law was or wasn't on
575 that, and so I made that absolutely clear, and that was
576 clear to him, and that was the end of that subject, and then
577 he called me one day and asked me if I'd be willing to help
578 on a specific project, and I said yes.

579 Q Well, returning to your meeting with him in
580 Pittsburgh, he asked you if you're interested in being
581 involved in any projects relating to Central America.
582 That's how the subject initially comes up.

583 A Yes, and he may have even asked me about the
584 specific subject at that time. It was also relevant.

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585 . Q What was the specific subject that was relevant?
586 . A If I wanted to help raise any funds for [REDACTED]
587 [REDACTED]
588 . Q You believe he raised that during that walk?
589 . A Probably.
590 . Q Now what did he say about the funds that were to be
591 raised [REDACTED]?
592 . A He just said that they were essentially having
593 a--you know, a tough go of it [REDACTED]
594 [REDACTED] and would I be willing to see if I could
595 help.
596 . Q Did he describe what [REDACTED] were?
597 . A Just generally support [REDACTED]
598 [REDACTED]
599 [REDACTED]
600 [REDACTED]
601 [REDACTED]
602 [REDACTED]
603 [REDACTED]
604 [REDACTED]
605 [REDACTED]
606 [REDACTED]
607 . Q Now in response to this, I believe you said you
608 would be happy to help but you did not want to get involved
609 in support for the contras?

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610 . A Not in any way.

611 . Q That was what you said to him at that time?

612 . [Witness nods.]

613 . BY MR. FRYMAN:

614 . Q What else did you say to him?

615 . A Well, I just told you, that was it, that I'd be

616 happy to help, that I wanted to know that if this was

617 something that the people wanted done, you know, have

618 them--have them tell me, and I'll go out and see if I can do

619 anything.

620 . Q By "happy to help you," that related to raising

621 funds for [REDACTED]

622 . A Sure.

623 . Q Now had Mr. Godson raised the subject of the

624 contras?

625 . A Never.

626 . Q What prompted you to affirmatively state that you

627 did not want to get involved in assisting the contras?

628 . A Whenever the word "Nicaragua" came up.

629 . Q Had that come up before?

630 . A I was talking about Central America, so we were

631 talking about everything that was going on down there, and I

632 think I probably just volunteered and said, "I'm not

633 raising any money for the contras," and he hadn't asked me

634 to raise any money for the contras. I just said, "I just

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635 want you to know this is for [REDACTED] It's for [REDACTED]
636 [REDACTED] not for anything else," and made that clear,
637 and that was the end of it.
638 Q Had you been following developments in Central
639 America?
640 A Sure.
641 Q In the press?
642 A Sure.
643 Q Had you been doing anything more than reading the
644 daily newspapers and news magazines? I mean were you
645 getting any sort of special briefings or special reports
646 with regard to Central America?
647 A Not that I--not that I recall. I mean I know of a
648 lot of people who know a lot about foreign policy, and other
649 than conversations that we would have, no. I mean I didn't
650 get anything special where these people were experts in an
651 area. We would have conversations, and they would tell me
652 about their view of, you know, what was going on, but
653 nothing--nothing special.
654 Q Is foreign affairs a particular interest of yours?
655 A Yes.
656 Q Are you a member of various foreign policy--
657 A No.
658 Q You're not a member of the Council on Foreign
659 Relations?

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D.S. - Private
Citizen - Why
Classified?

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660 . A No, no.

661 . Q So he mentioned Central America and

662 and I take it from your answer he identifies

663

664

665 . A Yes.

666 . MR. FRYMAN: Off the record.

667 . [Mr. Buck enters.]

668 . BY MR. FRYMAN:

669 . Q What specifically have you read or known about the
670 contras that led you to tell Mr. Godson in this initial
671 conversation that you didn't want to be involved in any way
672 in providing money to the contras?

673 . A Oh, I don't know. It was just a general--general
674 opinion. That wasn't my interest in helping military kinds
675 of things, because I really didn't know anything about it,
676 and I didn't know what the status of the--of the law was or
677 all the nuances, so it just didn't have any interest to me,
678 and he never asked me to help them. I just made that clear.
679 I just volunteered that, that that wasn't an interest of
680 mine.

681 . Q In making the request for the contribution to
682 who did Mr. Godson say he was acting for in
683 making this request?

684 . A He really didn't--he really didn't say. I said if

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685 this was something that, you know, people wanted done, then
686 take me to them and let them, you know, tell me. I assumed
687 that he had had discussions with Bud McFarlane and Ollie
688 North about it.

689 Q Did you know them?

690 A I had met Bud. I didn't know Ollie then.

691 Q You knew of Colonel North at that point?

692 A Vaguely.

693 Q You said you told him if this is something, I
694 believe, people want done, to take you to them. Did you use
695 the phrase, 'If this is something the administration wants
696 done, take me to them'?

697 A I may have said--I may have said the Government.

698 Q But if you used the phrase 'people,' by that
699 phrase you meant, 'Take me to the people in the Government
700 who want this done'?

701 A Hm-mm.

702 Q 'And let them tell me directly'?

703 A Or who want to make--make a request, let them make a
704 request of me directly.

705 Q So did you understand that he was acting as an
706 emissary of someone else in making this request?

707 A I essentially assumed he was acting as a friend of
708 a friend.

709 Q Who was the friend?

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710 . A Probably Bud McFarlane or Oliver North.
711 . Q Did you know that he knew McFarlane?
712 . A Oh, yes.
713 . Q How did you know that?
714 . A Gosh, I don't know. I knew that he was--did
715 something with NSC and obviously knew the director.
716 . Q Had you ever been together with Godson and
717 McFarlane?
718 . A What? Before he asked me?
719 . Q Yes.
720 . A No. To the best of my knowledge, no.
721 . Q But you had previously met McFarlane.
722 . A Yes.
723 . Q On what occasion?
724 . A Some party here in Washington.
725 . Q On more than one occasion?
726 . A Maybe twice at the most.
727 . Q Both social occasions?
728 . A Yes.
729 . Q Had you ever met William Casey, by the way?
730 . A Yes.
731 . Q When did you first meet him?
732 . A Probably some time in the middle '80's. I sat next
733 to him at a dinner that NSIC had here in Washington, and I
734 had met him maybe once or twice before at a--some social

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735 function.

736 . Q And you sat next to him at the dinner in the mid-

737 1980's, you think? That would be '84 or '85?

738 . A Yes. Somewhere in there.

739 . Q Did you ever meet with him or speak with him after

740 you saw him at that dinner?

741 . A No.

742 . Q Did you have any understanding about a professional

743 relationship between Mr. Casey and Mr. Godson?

744 . A No.

745 . Q Do you know if they knew each other?

746 . A Oh, I'm sure they knew each other.

747 . Q Why do you say that?

748 . A Because they were all there at the dinner, and I

749 assume that Roy had known him for a long time. He spoke of

750 him.

751 . Q Godson spoke of Casey?

752 . A Mm-mm.

753 . Q Did he mention Casey that day in Pittsburgh when

754 you spoke with him--

755 . A No.

756 . Q --around Mellon Square?

757 . A No.

758 . Q Well, how did this discussion with Mr. Godson in

759 Pittsburgh end?

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760 . A He said, "Well, I'll try to arrange for you to see
761 the people that you should see about this."
762 . Q Did he identify the people?
763 . A McFarlane and North.
764 . Q He said in response to your--
765 . A At some time in that time frame. I can't
766 specifically tell you whether he was in Pittsburgh when he
767 said that exactly or not. It was somewhere around there.
768 . Q Did he--did Godson tell you if he had been
769 contacting other people?
770 . A I don't think--no. No, I don't think he did tell
771 me.
772 . Q Do you know if he had been?
773 . A I don't know. Not that time, no.
774 . Q Did you learn since if he had been?
775 . A I don't think that he did on this thing; not to my
776 knowledge.
777 . Q Did you hear from Mr. Godson after this meeting in
778 Pittsburgh?
779 . A Yes.
780 . Q How long after?
781 . A Gosh, a week, two weeks maybe.
782 . Q He called you?
783 . A I'm sure.
784 . Q What did he say?

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785 . A He said that he had arranged a meeting and what
786 were some dates where I could come down to Washington and
787 meet with McFarlane and North.
788 . Q So he identified them in that phone conversation?
789 . A Yes, I'm sure; yes.
790 . Q But you're not sure if he had--
791 . A No, but I may have been down here on business and
792 happened to run into him or go see him. I think it was done
793 by the phone.
794 . Q In any case, the next time you spoke with him, he
795 said he had arranged for you to see McFarlane and North?
796 . A In the next one or two times I spoke to him, yes.
797 . Q Okay.
798 . A Because we were still talking about, you know, a
799 lot of other things.
800 . Q And some of the other things were the grants from
801 the foundation and--
802 . A No.
803 . Q --the publicity for the--
804 . A They were--they were mainly the book.
805 . Q The book, okay.
806 . A Yes. They were mainly the book.
807 . Q So he gave you some dates, and did he arrange an
808 appointment with those two?
809 . A Yes.

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810 . Q When did that occur?

811 . A I think that was in the early spring of 1985--early
812 spring or early summer.

813 . Q Do you have any calendars or records that indicate
814 that?

815 . A I don't. I don't have a date on there. I looked
816 at my calendars, and I don't--I didn't find a date. I was
817 doing all this on my--on my own time, so that there wasn't
818 any notations that I made on any, you know, business
819 calendars and things that I have.

820 . Q Where did you meet with them?

821 . A At the White House.

822 . Q Whose office?

823 . A The Situation Room.

824 . Q Who was present?

825 . [Pause while House Floor bells ring.]

826 . A None of those guys. Mr. McFarlane, Colonel North,
827 Roy Godson, and me.

828 . Q How long did the meeting last?

829 . A Maybe 20 minutes.

830 . Q Now you had met McFarlane before a couple of times
831 on a social occasion.

832 . A Yes. I don't know whether he really knew me or
833 not, but I had met him.

834 . Q And this was the first time you had met North?

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835 . A Yes.

836 . Q Did McFarlane do more talking than North, or was it

837 about the same, or did North do more talking than McFarlane?

838 . A It was probably about the same.

839 . Q What do you recall McFarlane said?

840 . A He just asked me if I wanted to help raise funds

841 for

842 [REDACTED]

843 [REDACTED]

844 [REDACTED]

845 [REDACTED]

846 [REDACTED]

847 [REDACTED]

848 [REDACTED]

849 [REDACTED]

850 . Q Now you say "they." Is that a distillation of

851 what both of them said?

852 . A Yes. That's essentially what it was.

853 . Q What did Godson say?

854 . A Well, he really didn't say--say very much.

855 . Q Did any of them at this meeting indicate why you

856 had been selected for this role?

857 . A No.

858 . Q Did Godson give any indication at the earlier

859 meeting why you had been selected?

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860 . A He just asked me because--because he knew me, you
861 know, and that's the assumption that I made, and I guess
862 they thought that I might know people who would be willing
863 to help in a situation like this.

864 . One other thing they asked me about there was, did
865 I know what UNO was, and I had no idea what that was, so
866 they told me about that.

867 . Q What did they tell you?

868 . A That it was some kind of symbol that were symbols
869 of the resistance to the Sandinista Government.

870 . Q Did they mention any amount that they wanted you to
871 raise?

872 . A That's hard to say. I think somewhere along the
873 line the figure \$400,000 came up, but whether--but that may
874 have been just a general discussion on what he thought might
875 be, you know, possible at the outside on something like
876 this, and so I think \$400,000 was, in effect, the goal.

877 . Q Who mentioned that figure?

878 . A I don't know who first mentioned that.

879 . Q That was at this meeting?

880 . A I think so. I can't say specifically whether it
881 was or whether that's something that Roy and I talked about.
882 It could have been.

883 . Q Did anyone at the meeting speak of efforts by other
884 groups to raise funds?

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885 . A No, not that I recall. The sole discussion was
886 about [REDACTED]
887 . Q How did the subject of UNO come up?
888 . A I don't recall
889 . Q Did you affirmatively tell them that you did not
890 want to get involved in providing money for arms?
891 . A That subject never came up. The first and only
892 time that subject ever came up was when I had my initial
893 conversations with Roy, and it was never brought up or
894 mentioned again. It was not the focus of what we were
895 talking about. It wasn't any way related to what we were
896 talking about.
897 . Q Did you speak by telephone with Mr. Davis in April
898 of this year?
899 . A Probably April or May. First I talked with Tom
900 Ciechanski.
901 . Q And then you had another conversation with Bill
902 Davis?
903 . A Was it you that I talked--we talked on the phone.
904 . Q So you did have a conversation with Mr. Davis?
905 . A Yes, about this appearance, and maybe it was--and if
906 it was you that I talked to briefly about whatever Tom
907 Ciechanski had asked me about.
908 . Q In your telephone conversation with Mr. Davis, did
909 you tell him that during your meeting with Mr. McFarlane and

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910 Colonel North you told them that you would not get involved
911 in providing money for arms?

912 . A I may have--yes. I don't think I ever said that to
913 Bud or Ollie, because they never asked me about that.

914 . Q But did you tell Mr. Davis that you had told them
915 that?

916 . A I don't recall. I think I told Mr. Davis
917 that--whatever the focus of all this was, that I had made it
918 clear that I wasn't going to do anything, you know, in
919 regard to contras or that subject, yes.

920 . Q Did you also tell Mr. Davis that in response to
921 such a comment by you to them they responded that they had
922 other people doing that?

923 . A I don't recall that.

924 . Q You don't recall telling Mr. Davis that?

925 . A I don't. I don't. I may have, not to say that I
926 didn't, but I don't recall that.

927 . Q Well, does that refresh your recollection that
928 there was such a discussion with Mr. McFarlane and Colonel
929 North?

930 . A I never had a discussion with them like that.

931 . Q You never did?

932 . A I did with Roy.

933 . Q What did you tell Roy? Was that when you met in
934 Pittsburgh or on another occasion?

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935 . A Oh, I think when we met in Pittsburgh, because then
936 the subject never came up after that.

937 . Q And did Roy say to you, "We have other people
938 doing that," or words to that effect?

939 . A Well, that I really can't recall. I don't--we never
940 really talked about it otherwise. I mean I may have had
941 some generic knowledge, you know, myself, that people, you
942 know, were doing that. I think I probably was aware that
943 that was going on, but I never had any specific discussions
944 with McFarlane or North anywhere near that subject, and I
945 may have talked with Roy about it.

946 . Q What were you aware that was going on?

947 . A Well, I knew there were a lot of groups doing, you
948 know, different things for people in Central America.

949 . Q What did you know about raising money for arms?

950 . A I didn't really know anything.

951 . Q Well, you said just a minute ago you knew that was
952 going on.

953 . A Well, I probably had some generic knowledge that
954 I'm sure that there probably were private people out there
955 raising money for arms. I had probably seen it in the
956 newspaper or on television or something like that.

957 . Q What about specific knowledge?

958 . A No, I didn't know any, no.

959 . Q No one had contacted you?

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960 . A No, never.

961 . Q Were you aware that anyone else had made
962 contributions for that purpose?

963 . A No; no.

964 . Q Now you referred to the amount of \$400,000 which
965 may have been mentioned in the meeting with McFarlane and
966 North, or it may have been mentioned later with Godson. Is
967 that correct?

968 . A Yes. Or maybe even before the meeting. Around
969 that time.

970 . Q And did you understand you were being asked to
971 raise \$400,000 or that was the goal?

972 . A That was more like the goal. I mean you never knew
973 in a situation like this what you could raise.

974 . Q Were they asking for, at least in part, a personal
975 contribution from you?

976 . A Never asked me for a personal contribution.

977 . Q You understood your role was just to be that of a
978 fund raiser?

979 . A Yes.

980 . Q What was to be done with the money? Were you told?

981 . A It was to go to support [REDACTED]
982 [REDACTED]

983 . Q But physically, how were you to get the money
984 there?

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985 . A Well, in the only instance--

986 . Q Well, were you told at this meeting in the White

987 House?

988 . A I don't think so.

989 . Q When were you told?

990 . A When I probably went and asked Herb if he wanted to

991 make a contribution.

992 . Q All right. Let's then get to that in a second.

993 How did the meeting at the White House end? They described

994 the need; the meeting went on for about 20 minutes. What

995 was the conclusion of the meeting?

996 . A And after they had said what they had said and I

997 had said that I would, that was---that was that, and they went

998 to their offices, and I walked out. I think Roy and I

999 talked for a little bit in the parking lot, and then I left.

1000 . Q Did you come to Washington just for that meeting?

1001 . A I think I probably did.

1002 . Q And you have no notation of that meeting in any

1003 calendar?

1004 . A No.

1005 . Q Weren't you concerned about knowing the right

1006 address or the right time?

1007 . A Not while I was told. I can remember that.

1008 . Q You were told how far ahead?

1009 . A I don't know. Probably a couple of weeks--one or

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1010 two weeks.

1011 . Q A couple of weeks ahead, and you made no notation

1012 of the date or the time?

1013 . A Didn't have to.

1014 . Q How did you handle the expenses for that trip--your

1015 travel expenses down? Did you charge that to your employer?

1016 . A I doubt it. I'm sure I probably paid for that

1017 trip.

1018 . Q You flew in from Pittsburgh?

1019 . A I'm--I'm pretty sure I flew. I can't swear that I

1020 didn't drive.

1021 . Q Did you spend the night?

1022 . A I don't recall.

1023 . Q How do you normally arrange for plane tickets? Do

1024 you go through a travel agent, or do you arrange your

1025 reservations directly?

1026 . A It would depend really whether or not my secretary

1027 would make them directly or whether she would make them

1028 through one of the people that we use in our office when

1029 people in the office travel.

1030 . Q Your secretary normally makes your reservations?

1031 . A Normally.

1032 . Q So then your travel expenses would be initially

1033 charged to the office and then--

1034 . A No.

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1035 . Q How would you pay for it?

1036 . A All the--I would pay for them all myself.

1037 . Q On a credit card?

1038 . A Most--yes. Probably most all the time.

1039 . Q American Express, or what--

1040 . A Probably.

1041 . I'll tell you, we may have been billed. I mean she

1042 may have called the travel agency, they may have made them,

1043 and then the travel agency just billed us direct without

1044 using the credit card.

1045 . Q Us being you individ--

1046 . A The office or anybody that--yes, me as an

1047 individual.

1048 . Q Going back to the meeting at the White House, you

1049 come out of the meeting, you may talk, or you do talk, with

1050 Mr. Godson for a while in the parking lot. What was said

1051 there?

1052 . A I think essentially that was okay, and this is

1053 fine, and I'll see what I can do.

1054 . Q What did you do?

1055 . A Thought about it for a while, talked to some people

1056 about the possibility of, you know, raising money for this

1057 or the--well, the subject of it really didn't--mainly just

1058 thought about it and tried to figure out who--who I would

1059 approach and--

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1060 . Q Did you talk to Mr. Scaife about it?

1061 . A No, never. It turned out not to be very

1062 successful.

1063 . Q Who did you talk to?

1064 . A I talked to Herb.

1065 . Q Who else?

1066 . A That's essentially it. I talked to another guy in

1067 Pittsburgh, but he--he wasn't interested in giving any money

1068 to anything that's, you know, listed here, I.C., Inc., or

1069 whatever.

1070 . Q Now why did you happen to call Herb?

1071 . A Because he had some money and because he was always

1072 a willing giver on different things that--you know, that we

1073 all supported, and I thought this may be something that may

1074 have some interest.

1075 . Q How had you known he was a willing giver? You had

1076 only seen him two or three times a year.

1077 . A Oh, because he and I had traded off on various

1078 political fund-raising things for candidates, and whatever I

1079 knew that he was interested in in the political process, and

1080 he'd call me, and we'd talk about, you know, various and

1081 sundry things.

1082 . Q What do you mean, "trading off on various

1083 political"--

1084 . A Well, somebody calls and says, "Will you give

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1085 money to a candidate?" and they say yes. Well, sooner or
1086 later, you're going to get a call from them saying, "Will
1087 you give somebody"---give money to somebody that they
1088 support.
1089 Q Was Herb a Republican or Democrat?
1090 A Republican.

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1091 . Q So you thought of calling him because you knew he
1092 had made various contributions?
1093 . A Yes, and I thought that this might be a subject
1094 that would interest him, yes.
1095 . Q Why would this interest him in particular?
1096 . A I don't know. Probably because he thought our
1097 policy in Central America was a good policy and--
1098 . Q Now you mentioned you talked to one other person in
1099 Pittsburgh. Did you talk to only two people about this
1100 after meeting in the White House with Mr. McFarlane and
1101 Colonel North and Mr. Godson?
1102 . A For funds, yes.
1103 . Q What did Mr. Barnes say when you called him, and
1104 what did you say to him?
1105 . A Well, actually, I met with him in Philadelphia. I
1106 think we were there for a judicial meeting. So I got him
1107 alone. I think I met with him--
1108 . [Pause while House floor bells ring.]
1109 . --it was either before or after our meeting.
1110 . Q And the two of you spoke alone?
1111 . A Yes.
1112 . Q What did you tell him?
1113 . A I just reviewed the events of meeting with Mr.
1114 McFarlane and Colonel North and Roy and asked him if--if he'd
1115 like to help.

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1116 . Q What did he say?

1117 . A He said he'd think about it.

1118 . Q When did he tell you he would?

1119 . A Well, I think--I think I got a--I think he said he'd

1120 think about it, and he said he'd probably help but he didn't

1121 know how much, and then I think the next thing I knew I

1122 probably called Roy, got the name of I.C., Inc., called

1123 Herb's office, gave it to the secretary saying if he wanted

1124 to make a contribution this was the way the check would be

1125 made out, and then he sent me a check for \$5,000.

1126 . Q So Roy Godson himself gave you the--

1127 . A Yes.

1128 . Q --name of I.C., Inc. And he said just make the

1129 check out to I.C., Inc.?

1130 . A Yes.

1131 . Q Now had you known about I.C., Inc. previous to--I

1132 thought you said you spoke to someone else in Pittsburgh and

1133 they didn't want to give to I.C., Inc.

1134 . A Well, I think all of this happened at the same

1135 time--you know, probably within the same couple of weeks, and

1136 so I had either gotten the name from Roy before I talked to

1137 Herb or right after I talked to Herb or, you know,

1138 whatever--somewhere in that time frame--you know, in that

1139 summer after I had been down here, and I still to this day

1140 don't know what it is.

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*Cit. prop.?***UNCLASSIFIED**

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1141 . Q Did you understand this was to be a tax-deductible
1142 contribution?
1143 . A No.
1144 . Q Did Barnes ask if this was to be a deductible
1145 contribution?
1146 . A I don't think so.
1147 . Q You had no understanding one way or the other?
1148 . A No, I didn't. I didn't. I thought this was hard
1149 dollars, and I didn't think this was tax deductible.
1150 . Q Why wouldn't a contribution to [REDACTED]
1151 be tax deductible?
1152 . A Well, I think if you make your check out [REDACTED]
1153 [REDACTED] it would be tax deductible, but I didn't
1154 have any idea one way or the other whether I.C., Inc. was a
1155 501(c)(3) or not.
1156 . Q Did it seem strange to you that the check was not
1157 being made out to [REDACTED] if that's what the
1158 money was being raised for?
1159 . A Not particularly.
1160 . Q Isn't it easier to raise funds for tax-deductible
1161 purposes than non-tax-deductible purposes?
1162 . A It certainly seems to be. But I didn't know. I
1163 mean the only thing I knew, that I.C., Inc. was an
1164 offshore--I suppose an offshore entity, and that's the way
1165 the money would get to [REDACTED]

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1166 . Q Why did you think it was an offshore entity?
1167 . A Because I think Roy told me.
1168 . Q Did he mention the name Richard Miller?
1169 . A Not that I recall.
1170 . Q Frank Gomez?
1171 . A Who?
1172 . Q Frank Gomez.
1173 . A No.
1174 . Q Carl Channell?
1175 . A No.
1176 . Q Have you ever met any of those individuals?
1177 . A Yes.
1178 . Q Which one?
1179 . A Carl Channell.
1180 . Q When?
1181 . A I first met him back in the late '70's or early
1182 '80's.
1183 . Q Are you aware that he was involved in fund raising
1184 for matters relating to Nicaragua?
1185 . A I am now.
1186 . Q When did you first learn that?
1187 . A Reading it in the newspaper.
1188 . Q You told Berness that this was to be a contribution
1189 to [REDACTED]
1190 . A For [REDACTED]

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1191 . Q For [REDACTED] And you told him either
 1192 in the initial meeting or after you talked to Godson to make
 1193 the check out to I.C., Inc.
 1194 . A Yes.
 1195 . Q And Godson mailed the check to you?
 1196 . A No. Herb mailed the check to me, and I mailed it
 1197 to Roy.
 1198 . Q That was my question.
 1199 . A Or gave it to Roy. I probably mailed it.
 1200 . Q He mailed it--
 1201 . A I'm pretty sure I mailed it.
 1202 . Q But it came through you?
 1203 . A Yes.
 1204 . Q Barnes gave it to you
 1205 . A Yes.
 1206 . Q One way or the other.
 1207 . A Yes.
 1208 . Q And you believe you sent it directly to Godson?
 1209 . A Yes, I think I did.
 1210 . MR. FREYMAN: I ask the reporter to mark this
 1211 document as Slease Deposition Exhibit 1 for Identification.
 1212 . [The following document was marked as Slease
 1213 Deposition Exhibit 1 for Identification:]
 1214 ***** COMMITTEE INSERT *****

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1215 . BY MR. FRYMAN:

1216 . Q Mr. Slease, I show you Deposition Exhibit 1 for

1217 Identification. Is that a copy of the check that Mr.

1218 Barnes sent to you?

1219 . A I assume it is, yes.

1220 . Q Now the date on that check, I believe, is November

1221 4, 1985. Is that correct?

1222 . A Yes.

1223 . Q Now I believe you indicated that your meeting with

1224 Mr. McFarlane and Colonel North was within a few weeks of

1225 that date.

1226 . A Well, looking at the date of the check, I'm pretty

1227 cer--well, I'm certain that I met with Mr. McFarlane and

1228 Colonel North--I know it was nice out, so I'm assuming it was

1229 the early--you know, the early summer, and then when I met

1230 with Herb, it was probably around one of our judicial

1231 meetings, and I--it runs in my mind that that was probably

1232 later on in the summer. It may have been--it may have been

1233 in the fall. I don't remember, though, the time that

1234 elapsed between when I talked to Herb and when I got the

1235 check.

1236 . Q When you received the check from him, did you

1237 notice that he had written "contribution" on the check?

1238 . A I'm sure I did.

1239 . Q Did you have any understanding with Mr. Barnes

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1240 | that you would reimburse him for this amount?

1241 | . A No.

1242 | . Q Did you ever reimburse him?

1243 | . A No.

1244 | . Q Do you know if any of the Scaife interests

1245 | reimbursed him in any way for that?

1246 | . A Oh, heavens, no. They didn't know anything about

1247 | it.

1248 | . Q Now was that \$5,000 contribution the only funds you

1249 | were able to raise following your meeting in the White House

1250 | with Mr. McFarlane and Colonel North?

1251 | . A Well, there were some other funds raised by other

1252 | people.

1253 | . Q Who were they?

1254 | . A Mr. John Hirtle.

1255 | . Q How do you spell that name?

1256 | . A H-I-R-T-L-E.

1257 | . Q Who else?

1258 | . A Who exactly he contacted, I'm pretty certain that

1259 | they did raise money for--well, I don't know whether it went

1260 | to I.C., Inc. or not. I can't--I can't be sure of telling

1261 | you that, so I don't know that. But he had called me, and I

1262 | said, "Well, here's the project," and he indicated that he

1263 | had some interest.

1264 | . Q Who called you?

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1265 . A John Hirtle.

1266 . Q And who is he?

1267 . A He is a broker at Goldman, Sachs in Philadelphia.

1268 . Q Do you have some business relationship with him?

1269 . A He's my broker.

1270 . Q He's your broker. So did he call you with respect

1271 to the business relationship?

1272 . A This particular time, I think he called and just

1273 said, you know, "I've been seeing all this stuff about

1274 Central America and the problems out there, and we've got

1275 to, you know, try to help them keep the communists out of

1276 Central America"--that kind of stuff, and he said, "You're

1277 familiar with these things, and is there any way I can

1278 help?" and I essentially said, "Well, you've called at the

1279 right time."

1280 . Q Had you told him that you were going to meet--

1281 . A No, no. It just, like, dropped out of the sky.

1282 . Q Just a coincidence?

1283 . A Yes.

1284 . Q Did you put him in touch with Mr. Godson?

1285 . A Yes.

1286 . Q Do you know if they met?

1287 . A I know they talked, and whether they physically

1288 met--he may have come down here; I'm not certain.

1289 . Q Do you know if Mr. Hirtle met with anyone in the

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1290 White House?

1291 . A Well, I know he met with Colonel North, but they
1292 didn't meet in the White House, to the best of my knowledge.

1293 . Q Well, I meant any employee of the White House.

1294 . A He met with Colonel North.

1295 . Q And it's your understanding that Mr. Hirtle raised
1296 some money?

1297 . A I think so, yes.

1298 . Q Do you know how much?

1299 . A Less than a hundred, I think. No, I'm not certain,
1300 because I didn't--I sort of was out of it, and they were
1301 going.

1302 . Q And was that paid to I.C., Inc. also?

1303 . A That I don't know. I really don't know.

1304 . Q How do you know this? Did Hirtle tell you?

1305 . A That they raised money?

1306 . Q Yes.

1307 . A Yes.

1308 . Q Who do you understand contributed whatever it was
1309 that he raised?

1310 . A I really don't remember who they--who they talked to
1311 or who they got it from, but it's--it's my recollection that
1312 they did raise some money. I know he talked to some people,
1313 and I--I'm not 100 percent certain that they raised money,
1314 but I'm pretty sure that they did.

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1315 . Q Are you aware of any other funds that were raised?
1316 . A For I.C., Inc. or any of this stuff on here, no.
1317 . Q Well, "by any of this stuff on here," I'm really
1318 talking about any funds that were raised for the purposes
1319 that were generally described by Mr. Godson and Mr.
1320 McFarlane and Colonel North. I mean you've described the
1321 \$5,000 you raised from Mr. Barness, and you've described the
1322 monies that Mr. Hirtle raised. Now are you aware of any
1323 other funds that were raised for those general purposes?
1324 . A That's--that's hard to say. I'm aware of some funds
1325 that were raised, but I don't have any idea what--what
1326 happened to them.
1327 . Q What are you thinking of?
1328 . A Well, there were some funds that were donated to
1329 the Heritage Foundation.
1330 . Q Was this \$100,000?
1331 . A Yes, that were for the purposes of--you know, of a
1332 grant to the--through the foundation, and after that I don't
1333 have any specific knowledge as to what happened to them.
1334 . Q Was this money that was sought by Mr. Godson?
1335 . A No.
1336 . Q Or was he involved in any way with that grant?
1337 . A Not in the--not really in the solicitation of the
1338 grant. Not in the solicitation of the grant.
1339 . Q Who made the grant?

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1340 . A It came from an individual in Pittsburgh.
1341 . Q Who was it?
1342 . A Mr. John F. Donahue.
1343 . Q D-O-M-A-N-U-E?
1344 . A Yes, I think so.
1345 . Q How do you know about that grant?
1346 . A Because I went and talked to Jack.
1347 . Q Why?
1348 . A Because he's a long-time and big supporter of
1349 [REDACTED]
1350 . Q So was this something you did as a result of your
1351 meeting at the White House?
1352 . A Yes.
1353 . Q Why didn't he contribute \$100,000 to I.C., Inc.?
1354 . A I don't think he had any interest in doing that.
1355 . Q Was that discussed?
1356 . A I don't think so. I really don't think so.
1357 . Q How did the Heritage Foundation get involved?
1358 . A Well, he wanted to do something to help, because I
1359 had asked if he wanted to do something to help, and we sort
1360 of settled on the fact that maybe the best way to do it
1361 would be give money to the Heritage Foundation and hopefully
1362 they could do something to help the situation in Central
1363 America, and if it helped [REDACTED] by their
1364 research and, you know, policy analysis and stuff like that.

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1365 that was--that was a good enough reason.

1366 Q Did you discuss this with someone at the Heritage

1367 Foundation?

1368 A I may have talked to Ed Feulner very briefly, and I

1369 talked with John Von Kannan, the treasurer, just to let them

1370 know that a grant was coming down and what it would be.

1371 Q What did you and Feulner say in your conversation?

1372 A I really don't recall, except that Jack Donahue was

1373 going to give \$100,000 to Heritage to help [REDACTED]

1374 [REDACTED] and that they would take it from

1375 there as far as what would be the best way to--you know, best

1376 way to do it.

1377 Q Did you tell him Godson had been involved in this?

1378 A I told him that I had talked to Roy, I think. I

1379 probably did.

1380 Q Did you suggest he speak to Godson?

1381 A I think Roy and I decided that Roy would speak to

1382 Ed.

1383 Q Did Roy suggest that you call Feulner?

1384 A Oh, gosh, I don't know whether it's a matter of

1385 suggesting or not. I mean obviously if somebody is going to

1386 send somebody \$100,000, you just decide to let him know. So

1387 I don't know whether--who decided what. I think we both

1388 mutually decided that we'd call him and tell him that it was

1389 coming.

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1390 . Q How had you known Faulner?

1391 . A Oh, I've known him for, I don't know, 10 or 12

1392 years. I've known him since 1974 or '5.

1393 . Q Do the Scaife Foundations contribute money to the

1394 Heritage Foundation?

1395 . A Oh, yes.

1396 . Q So you've known him through that relationship.

1397 . A Yes.

1398 . Q Is that the basic--

1399 . A That's the basis of it.

1400 . Q Did you tell Faulner that another contribution was

1401 going to I.C., Inc.?

1402 . A I don't think so.

1403 . Q Did you mention--

1404 . A What other contribution?

1405 . Q The Barnes contribution.

1406 . A Oh, I doubt it. No, I'm sure I didn't.

1407 . Q Now speaking to Faulner, you mentioned Godson, you

1408 believe.

1409 . A Probably.

1410 . Q Did you mention International Business

1411 Communications?

1412 . A What's that?

1413 . Q Well, by your answer I take it you did not.

1414 . A IBM?

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1415 . Q No, IBC--International Business Communications.
1416 . A No, I've no idea who they are.
1417 . Q Richard Miller?
1418 . A No. I mean I've read about Richard Miller in the
1419 paper.
1420 . Q Recently?
1421 . A Yes, recently. I didn't have any idea who he was.
1422 . Q So you did not mention him--
1423 . A No.
1424 . Q --to Feulner when you spoke with him?
1425 . A No. I'm sure no.
1426 . Q Now other than Donahue and Barnes, who did you
1427 speak to about contributions after your meeting with
1428 McFarlane and North?
1429 . A Nobody.
1430 . Q Just those two?
1431 . A Yes.
1432 . Q You mentioned--
1433 . A Other than Hirtle, obviously.
1434 . Q Right. I thought you mentioned a Pittsburgh lawyer
1435 earlier.
1436 . A No.
1437 . Q Well, you mentioned someone in Pittsburgh you spoke
1438 to that did not want to give to I.C., Inc.
1439 . A That was Jack Donahue.

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1440 Q That was Donahue.

1441 A If the subject of I.C., Inc. came up. I mean I,

1442 you know--it may have.

1443 Q What did Donahue--what is Donahue's occupation?

1444 A He was the chairman of a company called Federated

1445 Investors which was bought by Aetna, and I think he still

1446 runs the whole Pittsburgh operation, because it's called--I

1447 don't know, maybe it's still called Federated.

1448 Q After your meeting with Mr. McFarlane and Colonel

1449 North, you then succeeded in causing a \$100,000 grant to the

1450 Heritage Foundation and a \$5,000 contribution from Mr.

1451 Barnes to I.C., Inc., and you in some way were responsible

1452 for raising this with Mr. Hirtle, and he then contacted

1453 other people about contributions, and you believe that's--

1454 A Well, I did that--these two on my own, but, you

1455 know, the contribution from Jack, I think Jack Donahue had

1456 given to Heritage Foundation before and was very familiar

1457 with--with their works. What all the motivations were, you

1458 know, for him--you know, I don't know, but he was certainly

1459 willing to give them money, hopefully that they could help

1460 the situation [REDACTED]

1461 [REDACTED]

1462 Q Right. Other than those three--Hirtle, Donahue, and

1463 Barnes--what other contributions were a result of your

1464 meeting?

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1465 . A Well, whatever--whatever monies John Hirtle raised
1466 were a result of that. Nothing else that I know of.
1467 . Q All right. Why didn't you contribute money
1468 yourself?
1469 . A Couldn't afford it. I was never asked.
1470 . MR. FRYMAN: Off the record.
1471 . [Recess.]
1472 . MR. FRYMAN: Let's go back on the record.
1473 . BY MR. FRYMAN:
1474 . Q Mr. Slease, I have a few follow-up questions, and
1475 then I believe Mr. Oliver will have a few questions, and Mr.
1476 Buck may have a few questions. We'll try to finish--
1477 . A No problem.
1478 . Q --in a half-hour, if we can.
1479 . In your meetings with Mr. Godson, Mr. McFarlane,
1480 and Colonel North, [REDACTED]
1481 [REDACTED] Was there any mention of a Father Dowling in any of
1482 these meetings?
1483 . A No.
1484 . Q Have you ever heard of Father Dowling, or Tom
1485 Dowling?
1486 . A Yes.
1487 . Q Have you ever heard of him other than in press
1488 reports?
1489 . A Yes.

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1490 . Q What were those occasions?

1491 . A Actually, I have never seen any press reports. All

1492 I know is that John Hirtle knows him.

1493 . Q What did he tell you about him?

1494 . A That he knows him. I think he thought that I knew

1495 him, whoever he was or anything. I really--really don't.

1496 The only thing I got from John was that somehow he was

1497 active in Central America, very interested in it--put it that

1498 way, more interested in it, and that's--that's all I know.

1499 . Q What was the occasion when John told you that he

1500 knew Dowling?

1501 . A I think he wanted me to meet him. This was within

1502 the last--last year, last six months, last three

1503 months--something like that.

1504 . Q Did John indicate, or did Mr. Hirtle indicate, that

1505 he had been raising any money for Father Dowling?

1506 . A Not that I know of; no, he did not.

1507 . Q I take it you have not met Father Dowling.

1508 . A No, not to my knowledge.

1509 . Q You mentioned earlier a dinner you attended when

1510 you sat next to William Casey. What was that dinner?

1511 . A NSIC has programs that they run here in Washington,

1512 maybe one every--I don't know--three months or a couple of

1513 times a year, where they have speakers come in and talk

1514 about issues that mainly, I guess, related to foreign

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1515 policy, and, you know, the speaker starts at, like, 4
1516 o'clock or 4:30, and they go on for an hour, and there are
1517 questions and answers, and then they have a--in this case
1518 then, they had a small dinner that started at 6:00 or 6:30
1519 and was over at 8:00, something like that, and he was there
1520 among others, and it just happened that I was sitting next
1521 to him. I can't recall whether there were place cards or
1522 not.

1523 Q So this was not a fund-raising dinner?

1524 A No, no. It was a lecture, questions and answers,
1525 and then--since they had everybody there, a small dinner to
1526 which they invited some people to stay, and I was in town
1527 that night, and so I came.

1528 Q Did Mr. Casay speak on that occasion?

1529 A No.

1530 Q Do you recall--

1531 A I don't recall who the speaker was, actually.

1532 Q How large a group was this?

1533 A Well, I--I don't know. It was probably a fairly
1534 decent crowd. They maybe had 80/120 there for the lecture,
1535 and then the dinner was, I think, maybe 20/24.

1536 Q What did you understand was the reason why you were
1537 invited to the dinner other than the fact that you were
1538 staying in town that night?

1539 A Oh, it was--well, they just would invite me as they

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1540 would anybody else who is connected with giving them funds,
 1541 because these are what the funds are used for, to put on
 1542 seminars and talks like this, of this type. So I'm sure,
 1543 along with all the other trustees on the foundation, they
 1544 all got an invitation, and I was going to be in Washington
 1545 and said I'd stay over, you know, for--for this and come to
 1546 the dinner.

1547 Q You've described various conversations and meetings
 1548 with Mr. Godson with respect to raising funds for [REDACTED]
 1549 [REDACTED] and you've
 1550 described funds that you were directly or indirectly
 1551 responsible for raising as a result of your meetings with
 1552 Godson and Mr. McFarlane and Colonel North. Are you aware
 1553 of any other funds that Mr. Godson is directly or indirectly
 1554 responsible for raising other than the ones you raised with
 1555 regard to [REDACTED] Nicaragua?

1556 A No.

1557 Q Did he ever tell you about any other--

1558 A No.

1559 Q --fund-raising efforts?

1560 A No, not that I recall.

1561 MR. FRYMAN: I ask the reporter to mark as Please
 1562 Deposition Exhibit 2 for Identification a subpoena of the
 1563 House committee.

1564 [The following document was marked as Please

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1565 . Deposition Exhibit 2 for Identification:]

1566 . ***** COMMITTEE INSERT *****

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1567 MR. FRYMAN: The subpoena is dated May 14, 1987,
1568 and it's directed to Mr. Slease.
1569 BY MR. FRYMAN:
1570 Q Is that a copy of the subpoena that was served on
1571 you, Mr. Slease?
1572 A The cover page is the same.
1573 Q And there's an attachment to the subpoena that
1574 calls for production of documents?
1575 A It looks to be an exact copy.
1576 Q Now have you caused a search to be made of your
1577 files for the materials called for in the attachments to the
1578 subpoena?
1579 A Yes, I have.
1580 Q Have you located any materials responsive to that
1581 subpoena?
1582 A No. No; I have nothing.
1583 Q Do you know Tom Cantrell, Mr. Slease?
1584 A Yes.
1585 Q Who is Tom Cantrell?
1586 A Gesh, he's somebody I've known probably since 1974.
1587 I don't know what he's doing now. He was involved in
1588 political and charitabla activities here on the Hill.
1589 Q Was he in the Congressional Relations Department at
1590 the Department of Energy at some point?
1591 A Could have been. I really don't recall. He could

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1592 have been. He had a bunch of different things.

1593 . Q What's the origin of your friendship with him?

1594 . A He was working either for, I guess, the House Study

1595 Committee--House Republican Study Committee, the Committee

1596 for Survival of a Free Congress, maybe for Heritage

1597 Foundation when it started up. That's how I first met him,

1598 in conjunction with meeting all those people in those

1599 activities. Then he had his own public relations firm.

1600 Then he maybe was in the Government, with Energy, and I

1601 haven't seen or talked with him for a couple of years.

1602 . Q Did you ever discuss Central America policy and

1603 Nicaragua--and/or Nicaragua with Mr. Cantrell?

1604 . A I've got into discussion with politics, I'm sure.

1605 . Q Did you ever have any discussions with Faith

1606 Whittlesey about the Mellon-Scaife organization funding a

1607 program to generate public opinion support for

1608 administration policies in Central America?

1609 . A Well, let's see. She was running that stuff for

1610 the President on Central America when she was public liaison

1611 to the White House. I'm probably sure that it came up, but

1612 we never gave any money, to the best of my knowledge, for

1613 anything like that.

1614 . Q Did you tell her that you wanted Cantrell to be

1615 involved in such a program?

1616 . A Oh, gosh. That rings some vague bell if we were

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1617 going to do anything. That does ring a bell. Was he
1618 working for her? That rings a vague bell, but I really
1619 can't--I really can't recall whether--I don't think we did
1620 fund anything like that, to the best of my knowledge, but I
1621 can't--I can't be certain. I don't recall any specific
1622 grants to something like that. I do recall having--talking
1623 to her about Tom, but that was a long time ago.

1624 . Q Would that be in 1983?

1625 . A Well, if it's when she was in the White House, it
1626 probably would have been there, yes, but I don't--there
1627 wasn't any significance that I attached to it, certainly
1628 nothing in relation to any of this.

1629 . Q Did you discuss with Whittlesey on any occasion a
1630 \$1,000-a-plate fund-raiser to generate funds for a public
1631 relations campaign with respect to Central America?

1632 . A God, I don't recall. I don't recall.

1633 . MR. FRYMAN: Mr. Slease, I believe Mr. Oliver has
1634 some questions at this point.

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1635 . MR. OLIVER: Yes. I'll try to keep it brief, just
1636 to clarify some things.

1637 . BY MR. OLIVER:

1638 . Q Mr. Slease, earlier you mentioned that Mr. Godson
1639 did something with the MSC and that's why you assumed that
1640 he would know Mr. McFarlane and so on. What was it that he
1641 did with the MSC?

1642 . A Exactly, I don't know.

1643 . Q Did he tell you that he had some association with
1644 them?

1645 . A Yes. I think I came to know that generically over
1646 my period of time of--of knowing Roy and that he did some
1647 work for the MSC, but specifically what he did, he never
1648 told me.

1649 . Q When you went to the meeting with McFarlane and
1650 North, did you and Mr. Godson go to the White House
1651 together?

1652 . A I think he was already there, so I think I walked
1653 in by myself. I'm not sure.

1654 . Q Does he, to your knowledge, have a White House pass
1655 or an ident--Government identification card of some kind that
1656 allows him access?

1657 . A Specifically, the only thing I've ever seen on him
1658 is the little chain that everybody gets when you work there,
1659 but he may have had a picture on his. I--that's really hard

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1660 for me to say. He never showed me anything and said, "This
1661 is my pass in and out of the White House," or whatever.
1662 Q Do you know whether or not he has any affiliation
1663 with any U.S. Government agency or entity?
1664 A Well, as I just stated, I'm under the impression
1665 that he has an affiliation with NSC.
1666 Q Does he have, to your knowledge, any affiliation
1667 with the CIA?
1668 A Not that I know of.
1669 Q Have you ever had any affiliation with the CIA?
1670 A No.
1671 Q You've never worked with the CIA?
1672 A No.
1673 Q Did you know that Mr. Godson was on the CIA
1674 transition team for the Reagan administration?
1675 A Oh, I may have known that.
1676 Q But you don't know whether he had any affiliation
1677 or relationship with them other than that?
1678 A I've never known that he's worked for the CIA, no.
1679 Q When you were asked by Mr. Godson if you would be
1680 willing to assist [REDACTED] did he mention any
1681 names in connection with [REDACTED]
1682 [REDACTED]
1683 A Well, he mentioned [REDACTED]
1684 [REDACTED]

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1685 [REDACTED]
 1686 Q Did he tell you he knew [REDACTED]?
 1687 A No.
 1688 Q Did he tell you that he had been helping [REDACTED]
 1689 [REDACTED] through raising funds for [REDACTED]
 1690 [REDACTED]
 1691 A Not--no. The first time the subject ever came up
 1692 about [REDACTED] was when he asked me, as I related earlier,
 1693 if I'd be willing to help raise some funds, you know, to
 1694 help then in some manner. He did tell me that he was
 1695 already engaged in or not engaged in, you know, anything
 1696 like that.
 1697 Q Had Mr. Godson ever asked you to raise funds for
 1698 any projects before?
 1699 A No, not that I recall.
 1700 Q Was it unusual for him to ask you to raise funds
 1701 for [REDACTED]? Did you consider it an unusual
 1702 request?
 1703 A I don't think so. I mean it was--it could have come
 1704 from, I don't know, I guess maybe any number of people. I
 1705 didn't think it was unusual to come from--from Roy.
 1706 Q You mentioned that you went to the offices of NSIC
 1707 when you were in Washington, and you indicated that it was
 1708 in your capacity as a board member of the foundation or
 1709 foundations that were giving grants to NSIC.

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1710 . A Yes.

1711 . Q Which foundations were those?

1712 . A The Sara Scaife Foundation and the Carthage

1713 Foundation.

1714 . Q They were both giving grants to NSIC?

1715 . A I think money came out of both of them at one point

1716 or another, yes.

1717 . Q Do you know how much money those foundations gave

1718 to NSIC?

1719 . A They were varying amounts, whatever--you know, they

1720 followed the same procedures like the United Way or the

1721 opera, the museum, or something like that. They'd submit a

1722 proposal, and they had a number attached to it; and they

1723 varied.

1724 . Q Did you know that Herbert Barnes contributed money

1725 to Faith Whittlesey's representation fund in Berne?

1726 . A I read that in the newspaper.

1727 . Q He never told you that?

1728 . A I don't think until after it came out in the

1729 newspaper. I don't know. He may have. I don't know.

1730 . Q When you went to Switzerland in December of 1985,

1731 what was the purpose of your trip?

1732 . A I was taking a week's vacation and had one, two,

1733 three, four, five other people that were going with me on

1734 various parts of the trip, and when we went to--to Berne, I

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1735 took them to see Faith, you know, to meet her, because they
1736 had never met her before, and she had a dinner with, I don't
1737 know, some Americans and mainly Swiss.

1738 . Q It was a vacation trip, the whole trip to Europe?
1739 . A Yes.

1740 . Q For all of the people that were traveling with you?
1741 . A To the best of my knowledge.

1742 . Q Where did you go besides Berne?
1743 . A Berne, Zurich, Paris, and London.

1744 . Q At the dinner which she held for you, there were a
1745 number of people, and I'd like to ask you to identify them,
1746 if you would.

1747 . A If I can, sure.

1748 . Q Dr. and Mrs. Stephan Schmidheiny.

1749 . A The first time I ever met them was there. He was
1750 a--to the best of my knowledge, he was a very well-to-do,
1751 influential, young business person in Switzerland.

1752 . Q Dr. and Mrs. George Segal.

1753 . A I don't recall who they are.

1754 . Q Dr. Alfred Wiederkehr.

1755 . A Freddy Wiederkehr is a lawyer in Zurich.

1756 . Q A friend of yours?

1757 . A No. It was the first time I had ever met him. He
1758 was a friend of other people who were there. I think he was
1759 the lawyer of some of the younger people who were there.

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1760 . Q Of people who were with you or people in--Swiss?

1761 . A Swiss--Swiss nationals.

1762 . Q Dr. and Mrs. Rudolf Spruengli.

1763 . A I think they own one of the larger chocolate

1764 companies there in Switzerland. The first time I had ever

1765 met them.

1766 . Q Mr. and Mrs. Donald Hess.

1767 . A I don't--I can't recall who he is.

1768 . Q Mr. and Mrs. Ernst Marquardt.

1769 . A I can't recall who they are.

1770 . Q Mrs. Beatrice Burchler-Keller.

1771 . A I can't recall who she is.

1772 . Q Mr. and Mrs. Beat Jordi.

1773 . A I can't recall who they are.

1774 . Don't tell them all I said this.

1775 . Q No, no.

1776 . Mr. and Mrs. William Jadden.

1777 . A I can't recall.

1778 . Q Mr. and Mrs. Christoph Malm.

1779 . A Yes, I know who they are.

1780 . Q Who are they?

1781 . A Chris and Sigrid Malm, they are friends of other

1782 friends of mine, Swiss nationals. Well, I don't know. They

1783 may be German. She's German. Her family owns the Adidas

1784 company.

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1785 . Q Mr. and Mrs. Hans Bodmer.
1786 . A They were also younger friends of other friends of
1787 mine.
1788 . Q Do you know what they do--what Mr. Bodmer does?
1789 . A They're very well-to-do. I can't tell you exactly
1790 what Hans' business is.
1791 . Q Mr. and Mrs. Michael Pieper, P-I-E-P-E-R.
1792 . A They're younger friends of--of other friends of mine
1793 who were there.
1794 . Q Are they Americans or--
1795 . A No. These are--the Piepers are--no; they're Swiss.
1796 . Q Mr. Stefan Sten Olsson.
1797 . A He's another friend of a friend of mine who was
1798 there.
1799 . Q Who was your friend that he was a friend of?
1800 . A Scott Miller. All these guys had some connection,
1801 because they all went to Wharton Business School or
1802 something like that. They had never been to the embassy.
1803 . Q Mr. and Mrs. William Vandermerk.
1804 . A They were friends of mine.
1805 . Q They were from Pennsylvania?
1806 . A Yes. Now they live in Maryland, but they were from
1807 Pittsburgh then.
1808 . Q Mr. and Mrs. Scott Miller.
1809 . A He's from Philadelphia.

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1810 . Q He was traveling with you?

1811 . A I met him over there. All these younger Swiss are
1812 friends of Scott's, because they were all in school
1813 together, and Scott's in the investment business, and he
1814 knew them, and, you know, they had--their families knew each
1815 other.

1816 . Q He's a friend of yours?

1817 . A Yes.

1818 . Q What does Mr. Miller do?

1819 . A He's now in--well, he works for Goldman, Sachs now
1820 in New York in, I guess, investment banking.

1821 . Q Has he ever been involved in any way, to your
1822 knowledge, in fund raising for Central America causes of any
1823 kind?

1824 . A Well, he knew about this thing with [REDACTED]
1825 [REDACTED] but I don't know that Scott ever went out and did
1826 any fund raising like John did. I don't know whether he
1827 went with John whenever John called on anybody or not. I
1828 can't--I don't really recall whether he did or not.

1829 . Q And others who were there that night, Mr. and Mrs.
1830 Jim Shinn.

1831 . A He was the BCM.

1832 . Q Mr. and Mrs. Greg Passio.

1833 . A I don't--can't recall who they are.

1834 . Q Miss Mattie Sharpless.

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1835 . A She was a black girl, to the best of my
1836 recollection, but I don't know who she was.
1837 . Q Mr. and Mrs. Joe Hayes.
1838 . A He was somebody that was attached to the embassy.
1839 . Q Mr. Robert Reilly.
1840 . A Bob Reilly I know.
1841 . Q How do you know Mr. Reilly?
1842 . A I just--I probably know him through Faith, met him
1843 down here.
1844 . Q You said that Mr. Miller knew about [REDACTED]
1845 [REDACTED] fund raising. How did he know?
1846 . A He and John Hirtle were in partnership within the
1847 Goldman, Sachs partnership, and we were all friends, you
1848 know, for--well, for years, and quite good friends since the
1849 early '80's, and so when John had called me and said, "Hey,
1850 you know, I really--is there anything I can do?" and I said
1851 "Well, I've got this project for you," obviously, we
1852 talked to Scott about it, too.
1853 . Q And what did Scott say?
1854 . A It seemed like a good idea.
1855 . Q Did he raise some money for the [REDACTED]
1856 . A I don't--I don't recall that he did, actually. As
1857 say, my recollection was John probably made more of the
1858 calls, such as they were, whatever they made. I don't know
1859 what number they made, or how many, or specific dollars. I

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1860 don't--other than just being very interested as--you know, as
1861 a citizen.

1862 . Q Does he travel to Europe often--Mr. Miller?

1863 . A I don't know. I mean I know he's gone a couple of
1864 times.

1865 . Q To?

1866 . A Probably--well, I shouldn't assume anything, but I
1867 know that he's been a couple of times to see, you know,
1868 school friends in Switzerland and I think to see Stefan in
1869 London.

1870 . Q Do you know whether he ever attempted--discussed
1871 raising funds for Central America with any of his friends in
1872 Europe?

1873 . A Oh, gosh. I know we had--I shouldn't say we--I know
1874 that there were discussions with these people about--you
1875 know, about Central America, but I don't recall any--any
1876 specific thing on raising--raising funds for anything--any
1877 funds.

1878 . Q These discussions took place at that dinner that
1879 evening?

1880 . A Oh, at that dinner, no, I don't really recall
1881 anything specific on that. That dinner was--was a get-
1882 acquainted dinner for a lot of people that probably had a
1883 common interest in a myriad of things, so they would all get
1884 to know each other, so they could get to know our Ambassador

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1885 there, and so that I could meet Scott's friends and
1886 whatever, but I don't think--the purpose of the dinner was
1887 not to hit up anybody for funds or for anything like that;
1888 it was for everybody to get to know each other and have a
1889 good time.

1890 Q You stayed at the residence when you were there
1891 during that visit, did you not?

1892 A Yes, I did.

1893 Q Did you ever discuss fund raising for Central
1894 America with Ambassador Whittlesey?

1895 A Well, I don't know. Gee, in a generic sense, we
1896 talked a lot about Central America, Europa, and whatever.
1897 As far as getting up any specific program to raise funds for
1898 Central America with her, I don't really recall that, no.

1899 Q Did you tell Mrs. Whittlesey that you were raising
1900 money or had raised money for [REDACTED]
1901 [REDACTED]

1902 A I really can't recall whether I did or not. I
1903 would sort of doubt it, but I may have--but I may have.

1904 Q Did you tell her that Mr. Barnes had contributed
1905 to this cause?

1906 A I doubt that very much.

1907 Q Did you know that Mr. Barnes was a friend of
1908 Ambassador Whittlesey?

1909 A Oh, sure. Oh, sure, yes. I don't recall that

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1910 would have told her that.

1911 . Q Is Mr. Godson a friend of Ambassador Whittlesey?

1912 . A Oh, he knows her, yes.

1913 . Q And, to your knowledge, did Scott Miller accompany

1914 Roy Godson to Europe on several occasions in 1985 and 1986?

1915 . A Probably one. I think I'm familiar with one trip.

1916 . Q What was the purpose?

1917 . A That, to my knowledge, was to meet with Freddie and

1918 some of the younger people who we had all met there together

1919 at that dinner and talk to them about the spread of Soviet

1920 disinformation in Europe.

1921 . Q He went all the way to Europe with Roy Godson to

1922 talk about the spread of disinformation in Europe by the

1923 Soviets?

1924 . A To the best of my knowledge.

1925 . Q Is he involved in the National Strategy Information

1926 Center?

1927 . A Who, Scott?

1928 . Q Yes.

1929 . A No.

1930 . Q How did he come to know about Mr. Godson?

1931 . A Through me.

1932 . Q When did you introduce Mr. Godson to Mr. Miller?

1933 . A Well, that was probably in maybe late '84, '85,

1934 somewhere in there. I don't recall that Roy was at that

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1935 dinner with Faith. I'm not sure it probably was more
1936 in '85.

1937 . Q I want to ask you about a couple of organizations
1938 and some names, and would you just tell me if you know them?

1939 . A Yes. You've just got to remember that in this kind
1940 of stuff, all these guys are very interested in foreign
1941 policy and foreign affairs, and Scott's relationship with
1942 the Swiss, they're all--they all come over here to have their
1943 babies so they'll be U.S. citizens and things like that. So
1944 just for the longest time their association and our
1945 association, the whole, you know, part of the interest of
1946 the group is to talk about things that are happening in
1947 Europe, and they're all scared that Europe is going to go
1948 down the chute, you know, any minute, and that was really
1949 the genesis of these--you know, of these discussions.

1950 . Q You described all these people as very wealthy. Is
1951 that true?

1952 . A That's the way they were all described to me, as
1953 very well-to-do.

1954 . Q And Mr. Miller introduced Mr. Godson to these
1955 people?

1956 . A To some of them over there, yes. Scott introduced
1957 them to us, and then I think Scott and Roy went over--

1958 . [Pause while House Floor bells ring.]

1959 . --went over once, maybe twice, I'm not sure, but for

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1960 the same purpose, as I said, for this Soviet disinformation
1961 thing.

1962 . Q Do you know Penn Kemble?

1963 . A No.

1964 . Q Do you know Elliott Abrams?

1965 . A I maybe have met him once.

1966 . Q Do you know Rob Owen?

1967 . A No, I don't think I do.

1968 . Q Do you know Bruce Cameron?

1969 . A Bruce Campbell?

1970 . Q Cameron.

1971 . A No.

1972 . Q Do you know Walt Raymond?

1973 . A I think I've met him once.

1974 . Q Where did you meet him?

1975 . A Probably at some function down here in Washington.

1976 I mean I wouldn't recognize him if I saw him. I think I
1977 shook his hand, and that's all.

1978 . Q What does he do?

1979 . A To the best of my knowledge, he used to work in, or
1980 works in--works at the NSC.

1981 . Q Have you ever heard of the Latin American Strategic
1982 Studies Institute?

1983 . A I don't think so.

1984 . Q It's in San Francisco.

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1985 . A No.

1986 . Q The acronym is LASSI.

1987 . A No.

1988 . Q You have never heard of it?

1989 . A No.

1990 . Q The Institute for Religion and Democracy?

1991 . A Yes, that rings a bell.

1992 . Q What kind of a bell does it ring?

1993 . A Well, we gave a grant to some group. It may have

1994 been that on something to do--it may have been that--to the

1995 best of my recollection, but you can't hold me to this, it's

1996 something to do with nuclear arms or something like that. I

1997 mean, you know, you had all these priests running around

1998 wanting to disarm, and it was a respectable group that said

1999 there's no reason to disarm and that kind of stuff.

2000 . Q Prodemca?

2001 . A To the best of my knowledge, isn't that the

2002 organization that was funded by the House and the Senate to

2003 support U.S. policy abroad?

2004 . Q Prodemca. It's the acronym for something called

2005 the Friends of the Democratic Center in Central America.

2006 . A Oh, well, then no, I don't really know what that

2007 is. I was thinking of something else.

2008 . Q Were you familiar with Mr. Godson's activities in

2009 relation to International Youth Year and a conference in

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2010 Jamaica in 1985?

2011 . A Yes. He told me that they were having a conference
2012 down there, yes.

2013 . Q Were you involved in it in any way?

2014 . A No.

2015 . Q Did you raise any funds, or do you know of any
2016 funds being contributed to that?

2017 . A No, no.

2018 . MR. OLIVER: I have no further questions.

2019 . MR. BUCK: I don't have any questions right now.

2020 . MR. FRYMAN: No questions.

2021 . THE WITNESS: Just on the record, I want to be sure
2022 that you will send me, or that I will be able to go over, my
2023 deposition, as is the usual procedure.

2024 . MR. FRYMAN: Yes. I will make available to
2025 you--well, let me first ask, have you received a copy of the
2026 House resolution and the House rules?

2027 . THE WITNESS: No.

2028 . MR. FRYMAN: Let me make--I'll make a copy of those
2029 available to you. They provide that you will have an
2030 opportunity to review the deposition. You will not have an
2031 opportunity to have your own copy of it, but you can review
2032 it and correct it.

2033 . THE WITNESS: Okay.

2034 . MR. FRYMAN: So when we get the transcript, I will

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2035 notify you.

2036 THE WITNESS: You mean I'll have to make a special
2037 trip down here then?

2038 MR. FRYMAN: Or the next time you're down here, we
2039 can schedule a time for you to review it.

2040 Off the record.

2041 [Whereupon, at 12:42 p.m., the taking of the deposition
2042 was concluded.]

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1 RPTS MCGINN

2 DCMN QUINTERO

4 DEPOSITION OF CLIFTON SMITH

6 Tuesday, September 8, 1987

8 House of Representatives,

9 Select Committee to Investigate

10 Covert Arms Transactions with Iran

11 Washington, D.C.

4153

13 The committee met, pursuant to call, at 9:15 a.m., in room
 14 B-352, Rayburn House Office Building, with Thomas Fryman,
 15 (Staff Counsel of House Select Committee) presiding.

16 Present: Kenneth Buck, Assistant Minority Counsel, on
 17 behalf of the House Select Committee to Investigate Covert
 18 Arms Transactions with Iran; James Kaplan, Associate
 19 Counsel, on behalf of the Senate Select Committee on Secret
 20 Military Assistance to Iran and the Nicaraguan Opposition;
 21 R. Spencer Oliver, Chief Counsel, House Foreign Affairs
 22 Committee; and Alexi Morrison, Counsel, on behalf of the
 23 Witness.

24 Whereupon,

25 FRED CLIFTON SMITH, JR.

Partially Declassified/Released on 1-6-88
 under provisions of E.O. 12356
 by N. Menan, National Security Council

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26 having been first duly sworn, was called as a witness
27 herein, and was examined and testified as follows:

28 MR. FRYMAN: Before beginning the questioning of Mr.
29 Smith, I would ask that the record reflect that counsel for
30 Mr. Smith has been provided with a copy of the immunity
31 order of the United States District Court, Fort Drum, dated
32 August 18, 1987, as well as a copy of the resolution
33 establishing the House Committee and the rules governing
34 this investigation.

35 EXAMINATION

36 BY MR. FRYMAN:

37 Q Mr. Smith, would you state your full name for the
38 record?

39 A It is Fred, Clifton Smith, Jr.

40 Q Do you reside in the Washington, D.C. area?

41 A Yes, I do.

42 Q Where were you born?

43 A I was born in Anderson, South Carolina.

44 Q What was your date of birth?

45 A July 8, 1961.

46 Q What college did you attend?

47 A George Washington. Actually I attended--I graduated
48 from George Washington. I attended also Winthrop College
49 and graduated from George Washington.

50 Q When did you obtain a degree from George Washington?

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51 . A June of '84.
52 . Q What field?
53 . A Political science.
54 . Q Have you attended any graduate school?
55 . A No, I have not.
56 . Q Have you served in the military?
57 . A No, I have not.
58 . Q What is your social security number?
59 . A [REDACTED]
60 . Q You have been employed from time to time by Carl
61 Channel⁵ or by organizations with which Mr. Channel⁵ is
62 associated; have you not?
63 . A That is true.
64 . Q When did you begin such employment?
65 . A I first went to work for Mr. Channel⁵ on September
66 12, 1983, and stayed with him--let me see--until about April
67 of '84. At such time I took some time off to finish up
68 school, and took a summer off, and I went back in his employ
69 in September of '84, and was under his employ until May of
70 this year.
71 . Q Did you apply for a job with Mr. Channel⁵ in 1983?
72 . A Yes. Yes. That's when I originally went to work
73 for him.
74 . Q How did you learn that there was an opening with his
75 organization.

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76 . A It was in a social context. I was talking to
77 somebody and they said, well, I have a friend who is leaving
78 his employ and perhaps you should go by and talk to them
79 about taking his place. And that's what I did, and it took
80 about a month. About a month later I was hired.

81 . Q So you went by in late summer of 1983?

82 . A Yes, that is correct.

83 . Q And that was the first time you had met Mr. Channel?

84 . A That is correct.

85 . Q Whose place did you take?

86 . A I think it was Lou-Bonsignour.

87 . Q How do you spell the last name?

88 . A I knew you would ask. B-O-N-S-I-G-N-O-U-R.

89 . Q What were the responsibilities of the position you
90 applied for and accepted?

91 . A Well, when I originally went to work for him I was
92 working for the Channel Corporation, which was Mr. Channel's
93 fund-raising consulting firm, and at the time what he did
94 was take on various clients to raise funds for them, and I
95 came on sort of as an account executive to work with
96 whichever clients I was assigned to, to do telephone and
97 some in-person solicitation.

98 . Q When you say clients, you mean contributors?

99 . A No. Organizations, ~~for~~ for example, the American
100 Space Frontier Committee, Young Americans for Freedom. Let

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101 me see. Who else was there?

102 There was a group that we started to do some work with
103 that didn't go through with, called, Alert American, and
104 that's what I mean by clients.

105 Q So by clients, you mean companies that were retaining
106 the Channel Corporation and obtaining services for the
107 Channel Corporation?

108 A Right.

109 Q Now, was Mr. Channel, in 1983, conducting any fund
110 raising on behalf of his own organization at the time you
111 commenced your employment?

112 A No, sir. It was totally doing work for other
113 groups. He was not his own PACs or foundations or anything.

114 Q How were you paid? How was your compensation fixed?
115 Were you on a standard salary?

116 Was your compensation related to the fees paid by the
117 clients or was there some other basis?

118 A At that point I was on a straight salary.

119 Q Do you recall what the salary was?

120 A Yes. It was \$14,000.

121 Q \$14,000 a year?

122 A Uh-huh.

123 Q Is an example of a client, you indicated the Young
124 Americans for Freedom was one of the clients, I believe. Is
125 that one of the clients you worked for?

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126 . A Yes, it is.

127 . Q Just taking that as an example, would you describe
128 the nature of your activities on behalf of that client, just
129 using that as an example?

130 . A Okay.

131 It's my understanding that Young Americans for Freedom,
132 you probably know, they have been around a good while. They
133 have also had financial problems.

134 So they contracted with Mr. Channel^L to provide capital
135 fund raising services to try and get them some funds raised.

136 At the ~~time~~ time the project that we had related to the
137 movie that came to television called the "Day After,"
138 which was about a simulated nuclear holocaust.

139 It was the opinion of the Young Americans for Freedom
140 this did not reflect an accurate view towards arms or arms
141 control, and they wanted--Young Americans for Freedom wanted
142 to do something to present the other side of what they felt
143 was not being presented in that movie. So they were going
144 to organize some demonstrations, do some newspaper ads, this
145 type of stuff, and I was raising funds from their
146 contributors to fund these types of activities that related
147 to this film.

148 . Q Is it fair to say that your work primarily for the
149 Channel^L Corporation, in this period beginning in September
150 of 1983, was basically fund-raising work?

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151 . A Uh-huh.

152 . Q Had you had any prior experience in that type of
153 work before joining Mr. Channel^L in September of 1983?

154 . A A little bit. In collage I worked a little bit in
155 the development office and I helped with the annual fund
156 campaign at GW.

157 But it was not--it was minimal. It wasn't a great deal.
158 It was mainly just sort of student government work.

159 . Q Did you travel much in this job?

160 . A Not at that point, but down the road, beginning a
161 year later, up until I left Mr. Channel^L's employ this year,
162 I traveled a reasonable amount, yes.

163 . Q But in the initial six to eight month period from--

164 . A No, sir. I don't think I traveled any.

165 . Q Now, from September of 1983 until April of 1984, you
166 were enrolled at George Washington; is that correct?

167 . A No. It's not correct.

168 I took the semester, the fall semester of 1983 off from
169 school to work full-time for Mr. Channel^L. I returned for my
170 final semester in the Spring of '84. I went on part-time
171 working for Mr. Channel^L and went back to school full^Ltime.

172 . Q When did the spring semester begin?

173 . A January of '84.

174 . Q So you were full^Ltime from September of 1983, until
175 some point in January of 1984, and then you went on part-

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176 time basis?

177 . A Employment wise, yes, sir.

178 . Q Employment wise with Mr. Channel? Did you salary
179 remain the same?

180 . A It did not remain the same. I think I went on
181 commission at that point, but I don't remember because I was
182 only working two days a week.

183 So it would not have remained the same. I think I went on
184 commission, and it was based on, I think I was paid 15
185 percent of what I raised. It's so long ago, I can't
186 remember exactly which one it was.

187 . Q And you ceased work entirely in April of 1984?

188 . A That is correct.

189 . Q And then you completed your studies at George
190 Washington later in the spring or summer of 1984?

191 . A Yes, sir.

192 . Q And you went back to work for Channel in September
193 of 1984?

194 . A Uh-huh.

195 . Q What were your duties when you went back in
196 September of 1984?

197 . A Well, I had talked to him toward the end of the
198 summer and he'd wanted me to come back and work for him
199 again. This time he was just forming and getting going with
200 the American Conservative Trust, which was his political

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201 action committee, or the first of his political action
202 committees. And he asked me if I would come and be
203 political director for it and work to get going for the
204 upcoming '84 fall elections which we were active in. And he
205 wanted me to do that. And I gave it some thought and
206 decided to go back, and I went back primarily in that
207 capacity in September of '84.

208 . Q Now, what did your work then involve in the fall of
209 1984?

210 . A Well, the American Conservative Trust raised funds
211 from private citizens to support candidates for Congress,
212 the Senate and we did several special projects. For
213 example, following the election we worked on a project
214 with--it was an Inauguration Day series of newspaper ads
215 congratulating the President on his victory, and we got a
216 group of citizens who wanted to help fund the ads and they
217 wrote a message, their own message or they could sign their
218 name to a standard message and that was one of the things we
219 did, in addition to just supporting candidates.

220 . Q In the fall of 1984, was the American Conservative
221 Trust the only fund-raising organization that Mr. Channel^L
222 had established?

223 . A At that time.

224 . Q I'm not sure what the status of the National
225 Endowment was at that point legally. I don't know whether

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226 it had been incorporated yet or not, but it was to my
227 knowledge not active yet, if it was.

228 . Q The American Conservative Trust is also known by its
229 initial^S/ACT, is it not?

230 . A Right.

231 . Q So ACT was the only organization that was active in
232 the fall of 1984; is that correct?

233 . A I believe that--certainly I don't think anything was
234 going on with the Channel^V Corporation.

235 . Q How many person^S were employed in connection with the
236 operations of ACT other than Mr. Channel^V and yourself?

237 . A Oh, there probably were about three others.

238 . Q Who were they?

239 . A Roger Wilkins, who was an administrative assistant;
240 there would have been Jean Channing, who was Mr. Channel^V's
241 secretary, C-H-A-N-N-I-N-G.

242 . Q That's G-E-N-E?

243 . A I think it's J-E-A-N. She's no longer his
244 secretary. She left quite some time ago.

245 I think that's about it. Yes, that is it.

246 . Q To the best of your recollection, how much money did
247 ACT raise in 1984?

248 . A I have no idea.

249 . Q Can you say if it was more than \$500,000?

250 . A Yes. It was not.

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251 . 2 It was not?

252 Can you say if it was more than \$100,000?

253 . A I think we gave away, in terms of contributions,
254 about \$20,000 that fall, which would have been 1984, because
255 that's the only part of the year we were in operation. I
256 imagine we probably--just a wild guess--would be about \$40⁰⁰⁰/₀₀ or
257 \$50,000.

258 Let me see. I would say probably it was about \$75,000.

259 . 2 In total that was raised?

260 . A In total.

261 . 2 I am just asking for an estimate. I'm not holding
262 you to an exact amount.

263 . A Okay.

264 . 2 Now, the money that was raised was used, you
265 mentioned, for contributions. Was this contributions to
266 particular political campaigns?

267 . A Yes, sir.

268 . 2 And were these congressional races or Senate races?

269 . A Let's see.

270 . 2 Or what else?

271 . A We gave a contribution to Senator Helms, I believe
272 to Senator Jepsen, who, as you know, lost in '84, I believe
273 Jack Kemp. That's all I remember. There were others, but I
274 don't remember them.

275 . 2 And you also mentioned an independent expenditure.

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276 . A Yes.

277 . Q What do you mean by that?

278 . A We did an independent expenditure in the State of
279 West Virginia, which is where Mr. Channel^h is from.

280 . Q What is an independent expenditure?

281 . A Well, an independent expenditure is when a political
282 action committee undertakes a project by which it will spend
283 a certain amount of money on helping to promote a candidate
284 or elect a candidate. However, there are certain rules that
285 apply.

286 For example, a candidate and the political action
287 committee cannot have any contact and you do an independent
288 expenditure as opposed to just giving the candidate a
289 contribution because the spending, the amount you can spend
290 on the campaign or helping the candidate is unlimited when
291 you do an independent expenditure.

292 It was Mr. Channel^h's belief that you can be of more help
293 to a candidate if you are able to spend more money on them,
294 because it takes big bucks these days to get elected. So
295 that was the first independent expenditure the American
296 Conservative Trust did.

297 . Q And was that the only one in 1984?

298 . A Yes, it was.

299 . Q And what was the campaign again?

300 . A Arch Moore for governor of West Virginia.

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301 . Q This was in support of Arch Moore?
302 . A Yes, it was.
303 . Q Do you recall approximately how much was expended on
304 this activity?
305 . A Yes. It took the form, the independent expenditure
306 took the form of newspaper ads, and we placed about 10 or 12
307 newspaper ads all over the state in the month ~~preceding~~^{preceding} the
308 election in support of the candidate, and I believe we spent
309 about \$20,000, ¹⁵~~15~~ to \$20,000, something like that. I have
310 the figures somewhere on that I think, but I don't have them
311 in my head.
312 . Q Were you involved in preparing the copy for the ads?
313 . A We would have meetings--I was in on the--yes. We
314 would meet with an advertising person, and Spitz Channel and
315 I, we would sit down and bat around, you know, sort of West
316 Virginia you really have to--it's an interesting state
317 politically and it took a great deal of effort actually to
318 get them together.
319 . Q So you did participate in meetings about the content
320 of the ad and the strategy for the effort?
321 . A Yes, but more so just as sitting in. I just started
322 out in doing this type of work, and it was sort of more of
323 an educational process for me just to sit there and listen.
324 But I, you know, I can't have my mouth cemented shut the
325 whole fall. I sure I said something.

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326 . . Q Did Mr. Channal take the lead in the strategic
327 decisions made?
328 . A Yes.
329 . Q And did he also take the lead in selecting the
330 newspapers?
331 . A Yes, because being from that state he knew exactly
332 where to place things. He as very familiar politically with
333 the state.
334 . Q Other than the independent expenditure in the Moore
335 campaign and the contributions that you described to the
336 Senate races and to the Kemp congressional race, what other
337 expenditures did ACT make in the late fall of 1984 or 1984?
338 . A The only other one that comes to mind is a
339 contribution to George Hansen who had, according to who you
340 talk to, either ^{won} or lost that election by one-tenth of
341 one percent. I think was what it was said in the Post for
342 many weeks on end.
343 . Q First of all, for the record, who is George Hansen?
344 . A George Hansen was a Congressman and he had been up
345 for reelection in 1984.
346 . Q Where was he from?
347 . A Idaho. It was either Idaho or Iowa.
348 As much as has been in the newspaper recently I should
349 know, but it's either Idaho or Iowa.
350 It's Idaho, I think, isn't it?

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351 But as I said, he had either won or lost this election by
352 a minuscule amount of votes and he was conducting a recount
353 and needed money to do a recount I guess for whatever he
354 wanted to use it for.

355 So we raised funds to help him with his recount and gave
356 him the maximum amount allowed by law, which is a check for
357 \$5000.

358 . Q Were there any other activities that you recall in
359 1984?

360 . A No. I think that covers it.

361 . Q Now, in 1985, you mentioned there were some
362 advertisements purchased in connection with the
363 inauguration.

364 . A In '84. No, in '85, right, in January of '85.

365 . Q Would you describe those advertisements and how the
366 money was raised for those?

367 . A It was full newspaper ads, two full pages in the
368 Washington Post, one full page in the Washington Times, that
369 appeared on Inauguration Day, January 20, 1985.

370 As I said, it was the opportunity for private citizens who
371 we contacted to contribute and on this full page write a
372 message and/or then sign their name and have that reproduced
373 in the newspaper wishing the President well or telling him
374 to stand firm on this issue or that issue. Therefore, also
375 a general philosophical statement.

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376 In the Post one page was the individuals saying
377 congratulations, and the other page was a general
378 philosophical statement written by Mr. Channal^{ky}, talking
379 about freedom and issues that he felt were important to
380 focus on on that day.

381 In the Washington Times it was just the philosophical
382 statement. It was a repeat of the same thing that was in
383 the Washington Post.

384 Q Was that sponsored by ACT?

385 A Yes, it was.

386 Q Were you involved in raising funds for this series
387 of ads?

388 A Yes, I was.

389 Q How did you go about that?

390 A Well, we had--for example, in the Washington Post, we
391 had to pay to reserve the two pages which at that time I
392 believe they were \$25,000 a page in the Washington Post. So
393 we had a \$50,000 advertising bill.

394 And we solicited contributions to participate in the
395 project, and to sign your name to it. Some people gave more
396 than others. I think the average contribution was about
397 \$500.

398 Q How did you go about soliciting contributions?

399 A From the house list?

400 Is that what you mean? Who to call?

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401 . Q Just describe to me how you determined the
402 individuals that you would contact and describe how the
403 contact occurred and what was the nature of the statements
404 that you made to the potential contributors.

405 . A Well, by this point I had talked to many of the in-
406 house contributors that had contact with Mr. Channel many
407 times, having been there for awhile.

408 . Q What do you mean by "in-house contributors"?

409 . A These were contributor names that Mr. Channel had on
410 various lists that he had obtained during his fund-raising
411 career is my impression. And we would talk to these people.

412 You, of course, call the people you know first, because
413 you can raise funds from folks you know better than you can
414 from those who you don't know. And tell them about what we
415 were doing, and ask them if they would like to write their
416 own message, or be included in a standard message for this
417 project, and then we would send them an envelope thing and
418 they could send back their signature.

419 It had to be in really heavy black ink so it would
420 reproduce in the newspaper. So we had to work with that.
421 It was just a lot of logistics, a lot of little things that
422 had to be done for that.

423 . Q And did Mr. Channel assign to you certain
424 individuals to call?

425 . A At that point, not really. It was just more or

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426 less, you know, go and raise money for it because he had few
427 people he had worked with himself and other than those
428 people, I would do everything else.

429 I mean like we would make sure we weren't calling the s
430 people. We were coordinated to that point.

431 Q So he notified you that there were certain
432 individuals that he was dealing with and you could call
433 anybody else you wanted to?

434 A Yes.

435 Q Was there a large number that he reserved for
436 himself?

437 A No.

438 Q Do you recall the ones he reserved for himself?

439 A Yes.

440 Q Which contributors were those?

441 A Usually Ellen Garwood, Barbara Newington, John
442 Ramsey, Barbara Christian. That is all I remember off the
443 top of my head.

444 There were several others, but those were major
445 contributors of his, and he would talk to those people, and
446 he knew them well, and he talked to them for some time.

447 Q Now, these advertisements ran on Inauguration Day in
448 January of 1985; is that correct?

449 A Uh-huh.

450 Q Did ACT have any other products underway at the time

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451 of the inauguration in 1985?

452 . A No, not to my recollection. Just that one project.

453 . Q What did you do when you came to the office the week

454 of inauguration?

455 . A Well, we began work with the National Endowment

456 shortly after that, but there was an interim period there

457 that I honestly don't remember what I did. It was always

458 something to do when your are working.

459 . Q But there was an interim period where there was no

460 major project underway?

461 . A Right. I don't think there was; no.

462 . Q Did you become involved in the Nicaraguan Refugee

463 Fund dinner?

464 . A Yes. That's what started.

465 . Q Did that occur at approximately this time, or

466 shortly after inauguration time in 1985?

467 . A That occurred, that whole process started about, I

468 think, mid to late February of '85 and it began by Mr.

469 Channel being invited to a meeting at the White House of

470 individuals who were helping to organize that dinner and

471 that's how I first heard about it, with the Nicaraguan

472 Refugee dinner. And he wanted to become involved in that,

473 and wanted to raise money for it, and decided to raise funds

474 for the dinner through the National Endowment for the

475 Preservation of Liberty and making a grant to the Nicaraguan

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476 Refugee fund. And that is sort of how that evolved.

477 . Q Now, was that your first significant project for Mr.

478 Channel after the inauguration advertisements?

479 . A Yes, yes, it was.

480 . Q Over what period of time did you work on that

481 project? You say it started in February of 1985?

482 . A Yes, I would say mid February until the event of the

483 dinner which would have been on April 15. I remember it was

484 April 15.

485 . Q Now, during this period of time were you working on

486 other projects as well, or was this your only project during

487 this period of time?

488 . A This was it.

489 . Q At this time who were the employees of Mr. Channel's

490 organization?

491 . A Myself, of course, Mr. Channel, of course, his

492 secretary, who at that point I think was Angela Davis. Dan

493 Conrad joined the staff at that point about February of

494 1985. He came on board to help with that effort, as you

495 know.

496 I think that was it. And Roger, Roger Wilkins.

497 . Q Did you understand that Mr. Conrad had come on as an

498 employee or as a consultant? Or do you know, one way or the

499 other?

500 . A I didn't know one way or the other. I mean I know

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501 | that he is a consultant for various philanthropic
502 | organizations by what he's done for the past 15 years. So I
503 | guess I assumed that he was a consultant, but I just didn't
504 | pay much attention to it.

505 | He was there working a long beside me day-by-day and I
506 | didn't think in my own mind whether he was an employee or
507 | consultant.

508 | Q What did you do yourself in this February-April
509 | period in connection with this dinner?

510 | A I contacted many different supporters, asked them
511 | for their help with the dinner, asked them for their
512 | contributions; traveled some, took several trips with Mr.
513 | Channel to visit with contributors and talk to them about
514 | the event, why it was being held, asked them for their help;
515 | and that pretty much was what I did for those two months.

516 | Q So it was basically fund raising?

517 | A Uh-huh.

518 | Q Were you involved in the logistical planning for the
519 | dinner?

520 | A No. That was done by the Nicaraguan Refugee Fund
521 | people, and it was also done somewhat by Spitz as time grew,
522 | as we got closer to the dinner. They were very unorganized,
523 | and they were having great problems, I remember, in getting
524 | the date set.

525 | I think we had two or three dates that we went through and

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526 cancelled and postponed, and finally there was a date set,
 527 and as you know, the President attended the dinner and it
 528 was very important to get the date set so he could commit or
 529 not commit to be there.

530 And it was very--had great logistical problems. As we g
 531 closer to the dinner Spitz and Dan helped plan that more and
 532 more but I did not.

533 . Q Did you attend the dinner?

534 . A Yes.

535 . Q Were you aware of a luncheon meeting that Mr.

536 Channel had with ~~John Roberts~~ in early 1985?

537 . A I vaguely heard him say he had met with John

538 Roberts. I believe he and Dan did, or maybe it was just

539 Spitz--I don't remember. And I knew that John Roberts was an

540 attorney in the White House, and that was the extent, at

541 that time, of what I knew about that meeting.

542 . Q Did you learn that from Mr. Channel?

543 . A Uh-huh.

544 . Q Did Mr. Channel indicate that Mr. Roberts had

545 referred him to Richard Miller.

546 . A Yes. Yes, he did.

547 . Q When was the first time you met Richard Miller?

548 . A That's the first time I have been asked that in this

549 lovely little process we have gone through. I honestly do

550 not remember. But I would assume that it was probably at

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551 his office, and I had probably just gone over there with
552 Spitz one day after we had hired--after the National
553 Endowment had hired Richard Miller's PR firm as PR counsel.
554 and it was somewhere like that, just a casual meeting.
555 . Q So would you estimate that it was in the spring or
556 summer of 1985?
557 . A Oh, yes. It would have been the spring of 1985.
558 . Q Spring of '85?
559 . A Let me see, we hired them in March or April, so it
560 would have been late spring or early summer of '85.
561 . Q What was the name of his firm?
562 . A International Business Communications, known as IBC.
563 . Q What did you understand they had been hired to do?
564 . A At that time, it was my understanding that they were
565 hired to provide general public relations support for Mr.
566 Channel's various organizations.
567 . Q What does that mean?
568 . A About the only thing or the only thing I knew at
569 that point was help with the press and possibly--you asked me
570 what I knew at that time, and I am trying to put it in that
571 context. Just really, it wasn't very specific.
572 It was just a public relations firm, and maybe helped with
573 press matters, and that was all that I was aware of until as
574 we approached the summer, as you know, we started having our
575 briefings. I know that Mr. Miller was involved in helping

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576 to get those scheduled.

577 It later became apparent to me down the road that they
578 were more of a resource entity for contacts within the White
579 House than just an PR firm.

580 Does that answer your question?

581 Q Well, I'll come back to the subject.

582 When did you understand for the first time that Mr.
583 Channel intended for his organization to be involved in
584 issues involving Nicaragua and Central America beyond the
585 work for the Refugee fund dinner?

586 A Okay.

587 Well, we participated in the dinner, and following that
588 there was a vote coming up in Congress on Freedom Fighter
589 aid, and so we, by way of, I believe it was the American
590 Conservative Trust, raised funds and produced some
591 television messages in April and May of '85 to support the
592 Freedom fighter aid vote in Congress.

593 This was an issue that Mr. Channel was very concerned
594 about and wanted his organization to focus on. It was just
595 a continuance really of the Refugee fund in a way as far as
596 issues wise.

597 Q Do you know the reason that he began to focus on
598 this issue?

599 A No, other than that he was very concerned about it.

600 Q He expressed that concern to you?

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601 . A Oh, yes. I mean you know when you work in that kind
602 of environment you live and eat and breath the issues, part
603 of the natural agenda each day, and talk about what your
604 organization can do to, perhaps, have an influence or impact
605 on those issues. This was one that he was very concerned
606 about.

607 . Q Did he indicate that he had concluded that this was
608 an issue that he believed his in-house contributors were
609 likely to make contributions for?

610 . A It is my belief on that that he didn't really know
611 what in-house contributors would be giving to, but that this
612 is something that came along, that it was, as evidenced by
613 the Refugee Fund support--that it was apparent through
614 example that this was something that was very popular among
615 the contributors.

616 But there was no grand design from when he started the
617 American Conservative Trust or NEPL to go focus on freedom
618 fighter aid/ies Nicaragua, to my belief. It just, it came
619 about as a result of--it was popular as time went on and we
620 just stuck with it.

621 . Q So in connection with the work on the Refugee Fund
622 dinner, you observed that Nicaragua was an issue that
623 appeared to appeal to conservative contributors; is that
624 correct?

625 . A Yes.

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626 . Q And it is your understanding that growing out of
627 that experience Mr. Channe~~X~~ concluded that he would continue
628 to work with this issue in 1985?

629 . A Yes.

630 . Q ~~Was~~^{AT} the first even that was the focus of efforts by
631 his organization was a vote in the Congress later in the
632 spring of 1985; is that correct?

633 . A Yes, yes.

634 . Q And you were asked to work on fund raising in
635 connection with that vote?

636 . A Yes. Well, to work on fund raising in connection
637 with the television ads we produced regarding that vote.

638 . Q All right.

639 Now, was this being done at this point by the National
640 Endowment for the Preservation of Liberty, which I
641 understand is also known by its initials NEPL, or was this
642 being done by ACT?

643 . A This was being done--these particular se~~X~~^S of ads or
644 this particular set of ads were being done by the American
645 Conservative Trust, or I'll tell you, this was either the
646 American Conservative Trust or the American Conservative
647 Trust state election fund. One of the two entities did the
648 ads.

649 . Q What is your recollection of the time of the vote?

650 . A The '85 vote, I believe that humanitarian aid was

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651 | voted finally and no military aid.

652 | . Q What is your recollection of the dates of the vote?

653 | . A May.

654 | . Q Was the first vote in late April of 1985?

655 | . A Yes. I think there was more than one vote as there

656 | is usually every year on this issue.

657 | . Q And the first vote was in April?

658 | . A Yes, I think.

659 | . Q April or May?

660 | . A Uh-huh.

661 | . Q And you were raising funds for television ads that

662 | ran in connection with that first vote or series of votes?

663 | . A Yes.

664 | . Q Is that correct?

665 | . A Yes. To the best of my recollection, we started to

666 | try to have an impact on the whole voting process.

667 | . Q What was the television advertisement or

668 | advertisements?

669 | . A I believe there were a total of three of them, and

670 | they encouraged Congress to vote for the aid.

671 | . Q Were their titles for the ads?

672 | . A Yes, there were. There were always titles for all

673 | of the ads that we produced, and there were probably 30 or

674 | 40, and I cannot remember them.

675 | . Q You don't recall the titles of these three?

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676 . A No. I am sorry, I don't. I would know them if I
677 saw them. I don't remember.

678 . Q Who prepared the advertisements?

679 . A This first set, I believe, was done by the Robert
680 Goodman Agency of Maryland.

681 . Q Were you involved in the preparation in any way?

682 . A No, sir.

683 . Q Were you involved in any meetings discussing the
684 content of the ads?

685 . A Not at that point, no.

686 . Q Do you recall how many media markets the first
687 series of ads appeared in?

688 . A Possibly just Washington, D.C. It may have been
689 Washington D.C. and one or two others, but I think it was
690 just Washington, D.C., greater Washington.

691 . Q Did you participate in any discussions about
692 selection of the media markets?

693 . A No, sir.

694 . Q Was your activity in connection with this first
695 series of advertisements only to attempt to raise funds?

696 . A Yes, sir.

697 . Q And did you do this by telephone?

698 . A Yes, sir.

699 . Q Was it all done by telephone?

700 . A That was a very short window of fund raising. We

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701 did it from the end of the dinner until the vote, which
702 would only have been what, six weeks? And I believe that it
703 was all on the telephone.

704 I am trying to remember if I traveled any to meet with any
705 people on that one. I don't think I did. I think it was
706 all by telephone, and, of course, mail.

707 . Q To the best of your recollection, approximately how
708 much money did you raised for this series of ads?

709 . A I honestly don't have an idea on that.

710 . Q Was it over \$100,000?

711 . A No. It wouldn't have been. It wouldn't have taken
712 that just to do Washington and one or two others.

713 It probably was 25 to 50, but it's not a fact.

714 . Q Were you given any instructions by Mr. Channel^L as to
715 the type of appeal you should make to the contributors in
716 these telephone calls?

717 . A Well, the purpose was to raise the funds to help in
718 the vote effort and the appeal was, of course, America
719 needed to support the ~~freedom~~ fighter movement, and that was
720 the general appeal and we were trying to do these ads to
721 have an influence with the upcoming vote.

722 . Q So to summarize your work so far in 1985, from the
723 beginning of the year, up until the inauguration, you were
724 working on raising funds for the series of Inauguration Day
725 advertisements; is that correct?

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726 . A Yes.

727 . Q From the inauguration until mid April of 1985, you
728 were working raising funds for the ~~Refugee~~ fund dinner?

729 . A Yes.

730 . Q And from mid April, 1985, until late ~~may~~,
731 approximately, of 1985, you were raising funds for the first
732 series of televisions ads relating to the congressional vote
733 on Nicaragua aid; is that correct?

734 . A Yes, that is correct.

735 . Q Now, if you would then describe for me your
736 activities for Mr. Channel's organization beginning in late
737 May or early June of 1985 throughout the end of ~~may~~ 1985?**UNCLASSIFIED**

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738 RPTS CANTOR

739 DCMN MILTON

740 [10:15]

741

742 A Okay. It was Mr. Channell's desire to give
743 contributors an opportunity to come to Washington and learn
744 more about the Nicaraguan issue, and to that end we started
745 a series of briefings with Colonel North, in which he would
746 give a briefing on the Reagan administration policy towards
747 Central America and towards the freedom fighters, and we
748 would invite groups of contributors to Washington to attend
749 the briefing as held in the Old Executive Office Building,
750 followed ^{with} which dinner at the May-Adams Hotel, and it's my
751 belief that the contact and the briefings were arranged as a
752 result of Mr. Miller and his firm and their contact with
753 Colonel North. That is how that developed. We would invite
754 contributors to dinner. They would come up and attend the
755 briefing.

756 For the very first briefing we had, which was June
757 27, 1985, each contributor was asked to contribute a grant
758 of \$5,000, and I believe we raised about \$80,000 from that
759 first briefing, \$70- to \$80-, around that neighborhood, and
760 it was a very successful first meeting, and we had about 20
761 very active, very interested contributors here for it, and
762 Colonel North gave a very fine briefing, as he always did,

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763 | in a room in the Old Executive Office Building that had
764 | audio-visual set-ups, and had slide shows and things, so we
765 | did that.

766 | In June--let me see. I don't believe we had another
767 | major briefing until October, and then again another one in
768 | November, and the process was always the same. It would be
769 | to call the contributors and ask them to come and attend the
770 | briefing. And what else?

771 | Q Well, from late May or early June, 1985, until the
772 | end of 1985, was basically all of your time devoted to work
773 | in connection with these briefings that you have described?

774 | A Yes, it was. It was fully devoted to that.

775 | Q And that involved calling people and inviting them
776 | to briefings and attempting to obtain contributions from
777 | them?

778 | A Yes.

779 | Q In connection with the invitation to the briefing,
780 | is that correct?

781 | A Let me think here. I have a procedural question I
782 | need to ask her.

783 | [Counsel and witness confer.]

784 | [Recess.]

785 | MR. FRYMAN: I believe there is a pending question,
786 | if you would read back the pending question.

787 | [The reporter read the record as requested.]

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788 . MR. KAPLAN: Just to interject for the record,
789 during this morning's questioning, I undertook to deliver to
790 counsel for the deponent a copy of the Senate immunity
791 order, and this deposition is taken pursuant to that order
792 which is in form and substance virtually identical to the
793 House immunity order.

794 . MR. FRYMAN: Just to clarify it, the deposition is
795 taken pursuant to both of the immunity orders.

796 . Now, if you would read back the preceding question.
797 . [The reporter read the record as requested.]

798 . BY MR. FRYMAN:

799 . Q Back on the record. Do you have something further
800 to say, Mr. Smith?

801 . A During 1985, I was involved in my work for Mr.
802 Channell in all Nicaraguan-related issues, working on the
803 freedom fighter issue, and we in the beginning, when we had
804 our briefings, it was my impression giving aid to--the money
805 we were raising was going to Mr. Calero, to his efforts.
806 Would you like to ask me something else?

807 . Q In 1985, all of your work for Mr. Channell was
808 related to the Nicaragua issue, is that correct?

809 . A That's correct.

810 . Q And did all of your work involve raising funds?

811 . A Yes, sir.

812 . Q And you were raising funds in part to pay for

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813 television advertisements, is that correct?

814 . A Yes, sir, that would have been in the April-May

815 slot.

816 . Q Part of your work in 1985?

817 . A That's right.

818 . Q And another part of your work in 1985 was raising

819 funds for what you understood to be contributions to Mr.

820 Calero or Adolfo Calero?

821 . A Right.

822 . Q Is that correct?

823 . A Right, the money that was as a result of the

824 contributions given by the individuals who came to the

825 briefings is what my impression was.

826 . Q You understood that was being given to Mr. Calero?

827 . A Yes.

828 . Q Or to his organization?

829 . A Yes.

830 . Q Apart from the television advertisements in 1985,

831 were you aware of any other activities that Mr. Channell was

832 involved in in 1985 which were designed to affect the

833 outcome of the vote in the Congress on aid to the Nicaraguan

834 resistance?

835 . A No.

836 . Q You are not aware of any lobbying activities in

837 1985?

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838 . A No.

839 . Q You mentioned several briefings in 1985, and you

840 have mentioned that Colonel North spoke at these briefings.

841 Are you aware of private meetings that Colonel North had in

842 1985 with contributors?

843 . A Yes.

844 . Q Which meetings are you specifically aware of?

845 . A Well, this type of briefings and private meetings

846 as it has been called started in June of '85 and extended

847 until about last summer, and I can't remember exactly who

848 went in when.

849 . Q By last summer, are you talking about the summer of

850 1986?

851 . A '86, yes. Actually, it went on past that, I would

852 say to November of '86, but in '85, in the period you are

853 talking about, I believe that Ellen Garwood had a meeting,

854 and then there would be various private, not totally just

855 one-on-one, but there would be several people going in. For

856 example, Mrs. Lynch, Mrs. Beck, and I believe that they were

857 involved in meetings in which it was collective. It was

858 several people, not just one-on-one. Barbara Newington also

859 met with Colonel North but I don't remember exactly when.

860 . Q By the second half of 1985, did you have particular

861 contributors assigned to you as your contributors?

862 . A Yes, you could phrase it that way. The

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863 contributors who gave to the organizations run by Mr.
864 Channell that I primarily worked with would call and talk
865 to, would visit, would keep in contact with what the
866 activities and projects of the organizations were, and it
867 became that way, assigned, but as I said, there was no grand
868 design to it. It just sort of came out that way.

869 . Q By the end of 1985, how large a group of
870 contributors did you have primary responsibility for?

871 . A I would say probably about 12 to 15.

872 . Q Did any of these have private meetings with Colonel
873 North or meetings in a very small group with Colonel North
874 in 1985?

875 . A Yes.

876 . Q Which ones?

877 . A Mrs. Lynch, Mrs. Beck. Let me see. I believe Mr.
878 and Mrs. Pentacost, and that is all that comes to mind at
879 the moment.

880 . Q Did you attend these meetings?

881 . A No, sir. I would help get them over to the White
882 House, and get them to the right room. Sometimes I would go
883 up with them to Colonel North's office. Sometimes his
884 secretary, Fawn, would meet me down in the lobby and would
885 just make sure that the person got where they were supposed
886 to be going.

887 . Q But you did not attend yourself?

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888 . A Not any of these in this time period, no, sir.

889 . Q What was the reason you did not?

890 . A I was not invited.

891 . Q Were you told not to attend?

892 . A I was not specifically told not to attend, but the

893 procedure was that the contributors would meet with Colonel

894 North and from time to time Spitz would be there too, and I

895 just wasn't in on the agenda that I would be there.

896 . Q Are you aware of any occasions in 1985 where

897 Colonel North discussed military needs of the Nicaraguan

898 resistance with contributors?

899 . A Since I did not sit in on those meetings, I know

900 that he was concerned about military aid, but I guess I know

901 that from talking to Mr. Channell. I did not have any

902 direct conversations with him about military aid.

903 . Q That is not my question. It is broader than that,

904 Mr. Smith.

905 . Do you have any information that in meetings with

906 contributors during 1985 Colonel North discussed the need

907 for such military aid with the contributors?

908 . A I know that he discussed military aid with some

909 contributors, and I know that from being told that, and I

910 don't know when that took place.

911 . Q Who told you?

912 . A I guess Spitz did. Mr. Channell did.

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913 . Q And who were the contributors?

914 . A I believe Barbara Christian, because she was in on

915 a meeting with several people in which they were discussing,

916 I believe, missiles, and the reason I remember is, there was

917 some joke about one of the contributors wanting to have

918 their name put on the missile if they paid for it or

919 something, I don't know.

920 . Q Did Mr. Channell tell you this?

921 . A I have heard it somewhere during this year of these

922 investigations, and I can't remember whether it was--I think

923 probably it was him. This has been, as you know, a very

924 long year, and I can't remember exactly who told me, but I

925 don't have a reason to think it's not true. I mean, I think

926 that is what it was.

927 . Q Who participated in this meeting other than Barbara

928 Christian?

929 . A I believe Mary Adamkiewicz.

930 . Q Anyone else?

931 . A Perhaps Mr. John Ramsey. However, I'm not sure on

932 that.

933 . Q And Mr. Channell reported to you about this

934 meeting, is that correct?

935 . MS. MORRISON: We are running into a problem of

936 possible privilege ^{of} here/ is the problem, Tom. He has

937 identified for you that he heard about it this year. If we

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938 try to go any further, we are going to run into some
939 problems.

940 BY MR. FRYMAN:

941 Q Mr. Smith, I'm not inquiring about any
942 conversations that you had with your attorneys, but you have
943 stated that Mr. Channell informed you about a meeting where
944 Colonel North, as I understand your testimony, discussed
945 missiles with Mrs. Christian, Dr. Adamkiewicz, and possibly
946 Mr. Ramsay; is that correct?

947 MS. MORRISON: I think what he is saying to you,
948 Tom, is he said at the time of that testimony, he was not
949 sure. He assumed it was Mr. Channell, and now he has
950 thought further and has decided that it may involve
951 privilege.

952 THE WITNESS: It may not have been him, where I
953 heard that.

954 BY MR. FRYMAN:

955 Q It may have involved conversations with your
956 counsel?

957 A Yes.

958 Q Other than this possible meeting, are you aware of
959 any other meetings held during 1985 where Colonel North
960 discussed the need for military aid?

961 A There was an incident when Colonel North was flown
962 to Texas at the expense of the organization, and while he

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963 was in Texas, he met with Ellen Garwood, Bunker Hunt, and
964 Ralph Nixon. I was not in attendance at any of those
965 meetings, in the room with him, but it's my belief that they
966 discussed the entire Nicaraguan situation, including their
967 military plight, so to speak, and their need for military
968 aid in a variety of ways.

969 Q Who told you about that?

970 A Well, I was on the trip, and this comes from my
971 memory, just from being on the trip and hearing various
972 scattered comments after the trip was over and during the
973 trip, and since then again this year.

974 Q Are these comments by Channell?

975 A Here and there, yes.

976 Q Did Channell tell you at the time of that trip that
977 North reviewed with Bunker Hunt a list of military equipment
978 needed by the Nicaraguan resistance?

979 A Well, let me answer it this way. I know that
980 myself. I do have independent knowledge of that. When
981 Colonel North arrived in Dallas he got off the plane and he
982 had a long legal pad, yellow sheet, and he had written
983 things that they needed. He didn't say they were military
984 things, military items, but he had gotten off the plane and
985 commented to, I guess, Spitz, we were all getting in the cars
986 and such, or going into the building, that he had come up
987 with a list of needs the freedom fighters have, and I doubt

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988 seriously, I mean it was very likely it was Miller.
989 . Q Did you review the list?
990 . A No, sir.
991 . Q Did he discuss any items on the list in your
992 presence?
993 . A No, sir.
994 . Q Did he see the list?
995 . A No, sir.
996 . Q But he said he had a list that he was going to
997 review with Mr. Hunt?
998 . A It was the list that he had brought to Dallas with
999 him. I think it was primarily for Mr. Hunt's use, but he
1000 could have showed it to other people while he was there.
1001 . Q Do you know the total dollar amount of the items on
1002 the list?
1003 . A At one point I heard that, and it was millions of
1004 dollars, and that is all I remember--it was millions.
1005 . Q Was it \$5 million?
1006 . A I honestly don't remember. If you asked me \$10
1007 million, I couldn't be any more specific.
1008 . Q It was millions of dollars?
1009 . A Yes. I'm not trying to be vague. I just don't
1010 remember.
1011 . Q What did Mr. Channell tell you about Colonel
1012 North's meeting with Mr. Hunt in the course of this trip?

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1013 A We all went downtown, to downtown Dallas, and
1014 Colonel North and Mr. Channell and Mr. Conrad got out of the
1015 car and went into the building where Mr. Hunt's office is.
1016 I stayed in the car and went back to go meet--I think I went
1017 to go and pick up Ellen Garwood, who was staying at a hotel
1018 attending a convention in Dallas at that time, and bring her
1019 back to the airport where we were to get her so she could
1020 meet with Colonel North when he was through meeting with Mr.
1021 Hunt, because he only had the evening and we had to get
1022 everybody in in the evening, and, let's see, your question
1023 was, what do I know about the meeting?

1024 Q Yes, or what did Mr. Channell tell you about the
1025 meeting during this trip?

1026 A That Colonel North talked to me. Hunt about the
1027 needs of the freedom fighters. I believe they went to his
1028 office first. They then went to a club where they had
1029 dinner in a private room, I believe, and they had a very
1030 thorough discussion on what was going on in Nicaragua and
1031 the freedom fighters, and the needs--and it was as put that
1032 way, and I assume that to be across-the-board needs, but
1033 certainly including military--that they had in order to
1034 maintain their defensive effort.

1035 Q Why did you assume it included military equipment?

1036 A Because there had been discussions about military
1037 equipment within our organization, military needs. To tell

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1038 you the truth, maybe not so much at that point, but after
1039 that, and also Colonel North was the kind of man who was a
1040 military man who had a very extensive background in, you
1041 know, artillery, and knew what it took in order to defend a
1042 group of men fighting in a war.

1043 . Q What are the discussions that you recall within
1044 your organization about military needs?

1045 . A With contributors or with my fellow staff member or
1046 what?

1047 . Q My question follows up on your remark a moment ago
1048 that you recalled discussions within your organization about
1049 military needs, and I'm trying to determine what you were
1050 referring to.

1051 . A Well, during the course of our funding raising, we
1052 would have discussions from time to time with contributors
1053 about the fact that the freedom fighters are not going to be
1054 able to maintain their effort just on humanitarian aid, and
1055 perhaps we should try and help them with military needs as
1056 well.

1057 . Q Who participated in these discussions?

1058 . A Myself, Mr. Channell, everybody, Mr. Conrad.

1059 . Q Mr. Conrad?

1060 . A And this is very ambiguous for me to talk about,
1061 because I was not really sure at the time where these funds
1062 were going and if they were indeed purchasing military aid.

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1063 As I told you, I thought first ~~we were going to~~ the help to
1064 Adolfo Calero, and the down the road it became apparent
1065 through an evolutionary process that it seemed that the
1066 funds we were raising were going to Colonel North, to him,
1067 but I didn't know how that was being done other than the
1068 fact that the funds we were raising whenever we would have
1069 an event or something would be distributed through IBC, and
1070 we would cut a check to the International Business
1071 Communications. Of course, I later found out that it seemed
1072 that IBC was the conduit, at least from what I have read or
1073 have been allowed to read.

1074 . 2 Going back to the discussions, you recall
1075 discussions with Mr. Channell and Mr. Conrad about raising
1076 funds for military equipment for the resistance, is that
1077 correct?

1078 . 1 Yes, sir.

1079 . 2 And can you place those discussions at any point in
1080 time?

1081 . 1 One incident that comes to mind, just a little
1082 clearer because it also meshes together, is when we had the
1083 briefing in the fall of 1985, Mr. Channell asked me to
1084 solicit one of our contributors for missiles, and I did so,
1085 and the contributor gave a contribution, and this was at one
1086 of the meetings at which we had a briefing with Colonel
1087 North and then the meeting back at the hotel and the

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1088 solicitation took place back at the hotel.

1089 . Q Which contributor was this?

1090 . A Mrs. Beck of Dallas.

1091 . Q This is Ms. Patricia Beck? And was there a

1092 specific price for the missiles?

1093 . A Yes, it was \$22,000 per missile, and she gave a

1094 check for \$44,000.

1095 . Q So she gave a check for two missiles?

1096 . A Yes, sir.

1097 . Q And that was in the fall of 1985?

1098 . A Yes, sir.

1099 . Q Do you recall any discussions prior to that

1100 incident with anyone within the organization about seeking

1101 contributions for military equipment?

1102 . A Well, the Bunker Hunt incident I believe was before

1103 that, and in all likelihood, Spitz mentioned something in

1104 passing to me about it after it took place, but I don't

1105 remember the specifics of it.

1106 . Q Other than the Bunker Hunt incident that you

1107 believe preceded the Beck solicitation, do you recall any

1108 other discussions?

1109 . A There was one other incident. The reason I asked

1110 her is because we have not been able to pin down when it

1111 was. We had a terrible time figuring out when this was, but

1112 it was when Spitz and I met with Mary Adamkiewicz, and asked

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1113 her to support or to make a contribution for I believe it
1114 was two missiles. It was a different kind of missile or
1115 something, that they were \$8,000 apiece, if I remember
1116 correctly, and this either took place in the spring of '85
1117 or the spring of '86, and so if indeed it was spring of '85
1118 or early summer of '85, it would have been before the Bunker
1119 Hunt incident, which is what I was trying to clarify.

1120 . Q Any other incident before the Beck solicitation?

1121 . A Not other than what I have said.

1122 . Q Following the Beck solicitation in the fall of
1123 1985, what other occasions do you recall where funds were
1124 sought from contributors to acquire military equipment for
1125 the Nicaraguan resistance?

1126 . A I would talk from time to time with the Pentacosts
1127 about military aid. The Pentacosts live in south Texas,
1128 about 150 miles from the Mexican border, and are very
1129 sensitive to what goes on politically in that part of the
1130 world, and they are, as all people who supported this effort
1131 were, very concerned in making sure the freedom fighters in
1132 their efforts stayed alive, so for that reason,
1133 geographically they were always sort of focusing on it, so
1134 we would sort of discuss military aid and I would solicit
1135 them from time to time, and I imagine I did that in the fall
1136 of '85 as well, but I can't remember exactly when it would
1137 have been.

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1138 . Q Looking ahead from the fall of 1985 and into 1986,
1139 what other occasions do you recall where there was a
1140 solicitation for military aid?

1141 . A There was one in January of '86 in which Spitz and
1142 I met with Inman Brandon, one of our supporters, and he was
1143 solicited for missiles, and gave a contribution of \$100,000
1144 for that purpose.

1145 . Q And is this the same type of missile that costs
1146 \$22,000 each?

1147 . A To tell you the truth, I don't know. I was at a
1148 luncheon meeting in which Spitz did the talking in this
1149 particular incident. It seems to me it may have been heat-
1150 seeking missiles.

1151 . Q Do you recall the cost for these missiles?

1152 . A I believe the original amount we asked for was
1153 \$200,000. I think that was based on a number of missiles,
1154 but he gave \$100 ⁰⁰⁰ so the figure he gave doesn't go with what
1155 might have been asked for, but, no, I don't recall
1156 particular cost per missile in this solicitation.

1157 . Q And this was in January of 1986?

1158 . A Yes, sir.

1159 . Q Was there a discussion with Mr. Brandon about his
1160 contribution being tax deductible?

1161 . A I don't believe there was a specific discussion.
1162 Inman had been a supporter of the organizations for a long

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1163 time, and knew which organizations were and were not tax
1164 deductible.

1165 . Q Let's pass that for the moment, Mr. Smith. I want
1166 to come back later to a letter from Mr. Brandon about that
1167 contribution, so we will discuss that further in connection
1168 with that letter.

1169 . What other solicitations for military equipment do
1170 you recall?

1171 . A Give me a moment to think. I'm moving forward in
1172 time in doing this. As far as specific solicitations for
1173 specific pieces of equipment, as we have discussed, and I'm
1174 saying that as opposed to just general talking about
1175 military aid, for example, at the Pentacosts, that is all
1176 that I remember.

1177 . Q Do you know William O'Boyle?

1178 . A I know of him, yes, sir. He was a contributor who
1179 worked with Ms. McLaughlin in our office.

1180 . Q Did you speak with Mr. O'Boyle about making a
1181 contribution for any type of military equipment?

1182 . A The only time I ever spoke with Mr. O'Boyle was at
1183 a dinner at the Hay-Adams Hotel in which he and just a few
1184 other contributors were there. It was a smaller meeting and
1185 had not been quite as successful. We just weren't able to
1186 get many people here to Washington for it, and during the
1187 course of dinner conversation, I could have talked to him

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1188 about military aid, but I did not solicit him, and I know,
1189 as a matter of fact, Ms. McLaughlin and Spitz Channell were
1190 sitting at opposite tables, and in the course of that
1191 dinner, Spitz asked--I think I was sitting with him, and
1192 asked that I move over to another table and let he and Jane
1193 sit at the table with Mr. O'Boyle and talk to him, and this
1194 is because it was Jane McLaughlin's contributor, you know,
1195 as we were talking about how we did that, and that is what I
1196 remember about that.

1197 . Q Do you have any recollection of telling Mr.
1198 Channell that you had been talking with Mr. O'Boyle at the
1199 reception, and he was interested in making a contribution
1200 for military equipment?

1201 . A I'm just trying to be as specific as I can. I
1202 don't recall that, but it would not surprise me if, as I
1203 said during the course of the evening we had talked about,
1204 well, something in the context, "these guys have to have
1205 bullets to keep alive," or something like that.

1206 . Q Were you aware that Colonel North met with Mrs.
1207 Garwood in the spring of 1986 together with Mr. Channell,
1208 and they discussed specific military needs of the Nicaraguan
1209 resistance?

1210 . A I'm aware of a meeting, which I attended part of,
1211 that took place between Colonel North, Mr. Channell, myself,
1212 at the Hay/Adams Hotel in, I believe it was in the spring of

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1213 '85.

1214 . Q The spring of '86?

1215 . A '86, yes. I was there for the beginning of it, and

1216 then I left, and that was a prearranged thing that we did,

1217 that I would be there for the beginning of the meeting and

1218 then leave.

1219 . Q This was a meeting with Mrs. Garwood?

1220 . A Yes, and it was my impression that Colonel North

1221 was going to be talking to her about, again, the military

1222 situation in Nicaragua, and what was going on down there,

1223 because Mrs. Garwood was very concerned about that.

1224 . Q Were you aware that he had another list at the time

1225 of that meeting?

1226 . A At that time when we had the meeting, I did not

1227 know about any list that Colonel North had with him or was

1228 bringing with him to use as a solicitation device or

1229 anything.

1230 . Q Have you subsequently learned about such a list

1231 from a source other than your attorney?

1232 . A Yes. During the course, since then I have had some

1233 brief conversations with Mr. Channell in which he was

1234 referring to this card that Colonel North had with him at

1235 that meeting. He referred to it as like an index card or

1236 something like that.

1237 . Q When were those discussions with Mr. Channell?

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1238 . A It would have been since January of this year.

1239 . Q Did you ever hear any discussion between Mr.

1240 Channell and Colonel North about solicitation of

1241 contributions for military equipment?

1242 . A To the best of my recollection, I did not or was

1243 not a part of or sit in on a conversation with Colonel North

1244 and Mr. Channell, Spitz Channell, in which they engaged in

1245 back-and-forth exchange about soliciting for military

1246 equipment.

1247 . Q Did you ever hear Colonel North make a direct

1248 presentation to a potential contributor about the need for

1249 specific items of military equipment?

1250 . A In his briefings he would discuss such things as

1251 the Soviet influx of military aid that was coming in to

1252 Central America, and he would always say, to my

1253 recollection, if somebody asked a question about making a

1254 contribution or solicitation or whatever, he would say,

1255 "You can't talk to me about money. You talk to this man

1256 over here about money," and point to Spitz, and so he would

1257 not make the solicitation himself.

1258 . Q You recall him making that remark?

1259 . A About not talking about money?

1260 . Q Yes.

1261 . A Yes, sir, I do.

1262 . Q On more than one occasion?

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1263 . A Yes, sir, I do. I would say probably at least
1264 twice and maybe three times.

1265 . Q And was this during briefings that he held at the
1266 White House complex?

1267 . A It was either at the White House or at the hotel,
1268 and I have a mental picture of him saying this, and I'm
1269 trying to remember where we were when he said it, and as I
1270 said, it was more than once, but it would always come as a
1271 result of a contributor asking a question about how do we
1272 help these people with military aid, or something, or can we
1273 make a contribution to help with military aid, and he would
1274 respond by saying what I said, and I'm just not sure where
1275 he said it.

1276 . Q Do you recall hearing Colonel North speak to any
1277 potential contributor about the need for specific items of
1278 military equipment, such as missiles or grenades or
1279 ammunition?

1280 . A In one instance when Colonel North was giving a
1281 private briefing to Mr. and Mrs. Driscoll, and I was sitting
1282 in on this meeting, and I believe Spitz Channell was there
1283 as well--or was it somebody else? It was with a contributor,
1284 and we were talking about a former contribution that a
1285 contributor had made, and it was a contribution the
1286 contributor had made for surveillance-type airplanes, and it
1287 was, I believe, my statement about Mr. Channell to Colonel

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1288 North, the contributor helped with surveillance planes at an
1289 earlier date and Colonel North said "thank you very much,"
1290 and it was an acknowledgement I guess of him saying, you
1291 know, yes, I thank you, and so that is the only thing I can
1292 remember that I can come down on with your question.

1293 . Q Do you recall the contributor?

1294 . A I'm trying to--I first thought this was the
1295 Driscolls and then probably was Mrs. King.

1296 . Q When you say surveillance-type planes, can you be
1297 more specific as to the type of plane?

1298 . A Military aircraft, small Maul aircraft that were
1299 useful because they can take off and land on a short strip.
1300 They were quiet. That is the plane that I'm talking about.

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1301 RPTS MCGINN
1302 DCHN GUINTERO
1303 . Q These planes were also used to transport supplies;
1304 were they not?
1305 . A Yes, sir.
1306 . Q Both military and humanitarian supplies?
1307 . A I do not know what they transported.
1308 . Q You understood they were transport planes?
1309 . A Yes. Well, yes, sir.
1310 . Q That was one of the functions of the planes?
1311 . A Yes, sir.
1312 . Q What contributions are you aware of that were made
1313 for the purpose of acquiring military supplies?
1314 . A Including what I have already told you?
1315 For example, Mrs. Beck?
1316 . Q Let's include the ones we have already discussed.
1317 If you could identify the contributor and the approximately
1318 amount, to the best of your recollection.
1319 . A Okay.
1320 Mrs. Beck, \$4,000; Inman, \$100,000; Inman Brandon; the
1321 Pantacosts, but I can't identify the specific amounts.
1322 Would you be kind enough to define what you mean by
1323 military equipment?
1324 . Q Is there some particular ambiguity that you would
1325 like me to clear up?

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1326 Is there some particular item that you question whether is
1327 included in military equipment or not?

1328 MS. MORRISON: I think he wants to be totally
1329 responsive to your question, Tom, and he is trying to figure
1330 out how wide a circle to draw, what to include and what not
1331 to include.

1332 MR. FRYMAN: All right.

1333 BY MR. FRYMAN:

1334 Q I am including in the phrase any type of equipment
1335 that is used for military activity, and I would include in
1336 that transport planes, and I would include in that
1337 communications equipment; if that clarification helps you.

1338 A Okay.

1339 In addition to what I said, the transport planes, Mrs.
1340 King gave a contribution, I believe, of 150,000 for the
1341 small spotter type planes--

1342 Q This ^{is} the the maul aircraft?

1343 A Maul, yes.

1344 I remember discussing with somebody a long the way, now
1345 that you brought it up, the communications, and they were
1346 radios that, you know, you would use one out in the field
1347 and one in the base camp, and there was a name for it and I
1348 can't remember what it was.

1349 I don't remember who I discussed that with, though. That
1350 was a very short-lived little project, and I don't remember

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1351 who I discussed that with.

1352 I believe I discussed the planes also with the Pentacosts

1353 and I think that was it.

1354 Q So you have specific knowledge of contributions from

1355 Mrs. Beck, Mr. Brandon, Mr. And Mrs. Pentacost, and Mrs.

1356 King?

1357 A Yes.

1358 Q And I take it from your answers you have general

1359 knowledge of such contributions indirectly, or indirect

1360 knowledge from information that had been given to you by Mr.

1361 Channel and others, by such individuals as Mr. Hunt and Mrs.

1362 Garwood?

1363 A That is right.

1364 Very well said.

1365 Q Did you refer to Colonel North as "green"?

1366 A Yes.

1367 Q Who told you to do that?

1368 A Mr. Channel.

1369 Q What reason did he give you?

1370 A He was telling me one day in passing that that's

1371 what Richard Miller and Frank Gomez called him was

1372 "green." I can remember trying to figure out why he was

1373 called "green," and thinking or having somebody tell me

1374 perhaps it was because he was a Marine and Marines wear

1375 green uniforms.

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1376 . Q Did he give any reason why you should call him by
1377 the name "'green'" instead of by his real name?

1378 . A It is my recollection that it is because we were
1379 dealing with a person in a sensitive position, in a
1380 sensitive White House position, dealing with National
1381 Security and, perhaps, it would be better to be careful.
1382 For example, on the telephone in discussing anything about
1383 him to refer to him by this name.

1384 . Q Did you understand this was a code word or--

1385 . A I have given a great deal of thought to that since
1386 this whole "'green'" business came up, and I, to tell you
1387 the truth, didn't think of it as a code name. I thought of
1388 it more as a nickname, and when you enter into the word
1389 code, you sort of make it look more clandestine or
1390 something.

1391 But I thought, I really thought since Richard Miller and
1392 Frank Gomez knew him so well, they had nicknamed him that
1393 and told Spitz to call him "'green.'" I never gave it much
1394 thought, and since then it has been the fascination of the
1395 world and never meant anything to me.

1396 . Q What did you call Colonel North when you spoke to
1397 him directly?

1398 . A Colonel North.

1399 . Q You didn't call him by his first name?

1400 . A No, sir. I have never called him by his first name.

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1401 I might say 'Ollie' sitting here with you because
1402 everybody calls him Ollie these days, but I never called him
1403 Ollie.
1404 Q And you never called him 'green'?
1405 A No. There were contributors from time to time that
1406 would say hello Mr. Green, or Colonel Green, and would sort
1407 of joke with him like that, but I never did that.
1408 Q Did you know about an account in the Channel
1409 structure called the 'toys account'?
1410 A Yes, I did become aware of such an account as time
1411 wore on.
1412 Q When did you become aware of that?
1413 A I think probably--this is another one of those areas
1414 that I am very ambiguous on myself. While I was under Mr.
1415 Channel's employ I did not go around referring to a 'toys
1416 account,' as you might think from things that have come out
1417 in the media, that we went in every day at the office at 9
1418 o'clock and sat down and talked about the 'toys account'
1419 ~~for~~ eight hours. That is not how it was with me, and that
1420 is not how it was with Mr. Channel.
1421 Somehow or another that name came into being referring to
1422 one of the bank accounts. I never understood anything about
1423 it until all this came up this year in which it was talked
1424 about how it came into being when the Christmas solicitation
1425 for Mr. Calero came about for toys, and also there were

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1426 times, isolated instances, when I would talk to Mr. McMahon,
1427 who was the accountant, and he would talk about the "toys
1428 account," and say it in jest or in fun. And I never paid
1429 any attention to it.

1430 I understand that it is supposed to have been a military
1431 account and that "toys" was its nickname, but that was
1432 something that, and still to this day, remains a mystery to
1433 me why it was called that, or how that came about. I still
1434 don't understand it.

1435 Q You did not have an understanding the account was
1436 used for that purpose, during 1986, or you did not have the
1437 understanding during 1986, that the "toys account" was the
1438 account where military contributions were placed?

1439 A That is right. Because we were--we had, as you know,
1440 a good number of bank accounts and we would cut checks out
1441 of those accounts to go over to IBC from all of those
1442 accounts.

1443 Q Were you aware that there was--there were changes
1444 ordered in the NEPL accounting records in late 1986 to
1445 remove the name "toys" from the internal records?

1446 MS. MORRISON: I would note, Tom, that your
1447 questions assumes the fact that certainly isn't before us
1448 through this witness.

1449 MR. FRYMAN: I will rephrase the question, if you
1450 want to object to the form of it.

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1451 . MS. MORRISON: Let us confer for a second.
1452 (Discussion off the record.)
1453 . MS. MORRISON: I assume you are talking about
1454 conversations that did not involve counsel?
1455 . MR. FRYMAN: I am, yes.
1456 . BY MR. FRYMAN:
1457 . Q Would you like me to rephrase the question, Mr.
1458 Smith?
1459 . A If you wouldn't mind, I would appreciate it.
1460 . Q Are you aware of any changes that were made in the
1461 internal financial records of the Channel organization
1462 during 1986, with respect to the name of the "toys
1463 account"?
1464 . MS. MORRISON: Other than conversations involving
1465 counsel?
1466 . BY MR. FRYMAN:
1467 . Q Other than conversations with your attorney?
1468 . A No.
1469 . Q Mr. Smith, we have been talking about your
1470 activities in part in 1986, with respect to fund raising.
1471 and particularly fund raising with respect to military
1472 equipment for the Nicaraguan Resistance during 1986, as well
1473 as 1985. What other activities were you engaged in in 1986?
1474 . MS. MORRISON: Are you talking about through the
1475 organization we have already identified?

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1476 . MR. FRYMAN: Yes, yes, yes.

1477 . THE WITNESS: Well, let's see. In 1986 we did an
1478 independent expenditure in the State of Maryland, and by
1479 that I mean the Antiterrorism American Committee, which was
1480 one of Mr. Channel's political action committees.

1481 . Of course, we had the elections last fall, and the
1482 American Conservative Trust participated in those elections.

1483 . BY MR. FRYMAN:

1484 . Q And were you raising funds for campaigns in
1485 connection with votes in Congress on aid for Nicaraguan
1486 Resistance during 1986?

1487 . A For ACT, for the American Conservative Trust, we
1488 sponsored a variety of independent expenditures, and they
1489 were, I believe, all for Senators and they were just for
1490 Senators who Spitz felt that needed the help.

1491 . I don't think he based that particularly on anything to do
1492 with Nicaragua. I think probably they all voted for
1493 Nicaraguan aid, but they were just folks that needed help.

1494 . Q Are you familiar with a product called the "Central
1495 American Freedom Program"?

1496 . A Yes.

1497 . Q What was that?

1498 . A Well, the Central American Freedom Program--I have to
1499 digress here for a moment--was the collective name of our
1500 television advertising campaign sponsored by the National

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1501 Endowment in the spring of '86.

1502 . Q And were you involved in raising funds for that?

1503 . A Yes.

1504 . Q And was there also a lobbying component of that

1505 program that according to the memorandum describing the

1506 program was to be conducted by another organization called

1507 "Sentinel"?

1508 . A Yes, I believe that's how--as you are talking about

1509 his memorandum, I don't remember what you're talking about.

1510 . Q Other than raising funds for the program what was

1511 your involvement in the Central American Freedom Program in

1512 1986?

1513 . A Well, the kick-off event for the Central American

1514 Freedom Program was a meeting we held at the White House on

1515 January 30, I believe it was, in which we met with President

1516 Reagan, and about 30 of our top contributors came to town,

1517 and met with the Roosevelt Room of the White House. We had

1518 some words about Linda Chavez.

1519 The President spoke, and Spitz also spoke at the end of

1520 the meeting, and it was to raise funds for the advertising

1521 campaign sponsored by NEPL to educate the American public on

1522 the issue of Nicaragua and on why it was important that the

1523 freedom fighters be supported.

1524 . Q Right.

1525 And you were involved in--

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1526 . A In raising funds for that, in inviting people to the
1527 meeting.

1528 . Q Right.

1529 But apart from the fund-raising side of it, were you
1530 involved in the planning of the program, the strategic
1531 decisions, the selection of media markets in 1986?

1532 . A No, sir.

1533 . Q Were you involved in any of the lobbying activities
1534 in 1986?

1535 . A I raised several contributions for Sentinel in the
1536 summer, right as the last vote came down to the wire, in
1537 which--the vote in which the military aid was, I believe,
1538 approved. And that was--since Sentinel could lobby for
1539 issues or legislation, I think that was the only time, as
1540 you define it like that, that I did anything with Sentinel
1541 in that context.

1542 . Q Again, apart from the fund raising aspect, though,
1543 were you involved in any of the implementation side of the
1544 lobbying activities?

1545 For example, were you involved in targeting of
1546 Congressmen? Were you involved in any strategy meetings
1547 where it was discussed how lobbying efforts would be
1548 directed toward particular Congressmen?

1549 . A No, not to my recollection. I was not involved in
1550 that area of planning. I was involved in raising the funds.

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1551 and that was just about it throughout the time of my
1552 employment with Mr. Channel.
1553 . Q Now, you mentioned you were involved in an
1554 independent expenditure in Maryland. What race was that?
1555 . A That was the Senatorial race in which Linda Chavez
1556 was running for the Republican nomination, and Michael
1557 Barnes and Barbara Mikulski were opposing each other to be
1558 elected on the Democratic ticket side.
1559 . Q Are you familiar with transfers of funds between the
1560 different campaign organizations?
1561 Let me ask you then a specific question.
1562 . A Thank you.
1563 . Q Were you aware of a series of transfers of funds
1564 from NEPL to Sentinel in March of 1986?
1565 . A No.
1566 . Q You weren't aware that those had occurred?
1567 . A No, sir. NEPL to Sentinel?
1568 . Q From NEPL to Sentinel?
1569 . A No.
1570 . MR. FRYMAN: ^I Ask the reporter to mark as Smith
1571 deposition Exhibit 1 for identification, a group of
1572 documents which have been selected from the materials
1573 produced by counsel for the Channel organization.
1574 The first page of the exhibit contains the date of the
1575 document, where the date can be determined from the

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1576 document, as well as an indication of the document
1577 identification number that was placed on each page by
1578 counsel from the Channel organization.
1579 [The Exhibit No. FCS-1 was marked for identification.]
1580 [Brief recess.]
1581 BY MR. FRIMAN:
1582 Q Mr. Smith, the report has marked Smith deposition
1583 Exhibit 1 for identification, and I have a number of
1584 questions for you about the pages in this exhibit. Before
1585 we are starting through this exhibit, however, I believe you
1586 indicated at the beginning that your employment by Mr.
1587 Channel^L ceased in May of 1987; is that correct.
1588 A The end of May.
1589 Q And have you continued to be employed in the
1590 Washington, D.C. area since then?
1591 A Yes. Well, I am employed, and I'm also--
1592 Q I believe I have a pending question.
1593 A Yes, sir. I am employed by a nonprofit foundation.
1594 Q Now, turning to Exhibit 1, Mr. Smith, and directing
1595 your attention to the second and third pages in that
1596 exhibit, which are to mailgrams, and the identification
1597 numbers are 30573, and 30574, one is from you to Major
1598 Patton, and the second is from you to Mr. Caldwell.
1599 There's a reference in those mailgrams toward the end to a
1600 special project which comes on line in eight days. What

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1601 does that refer to?

1602 . A I would imagine--I tell you. This probably is a fund-

1603 raising device, and I am not aware, nor do I remember, what

1604 the specific special project was.

1605 For that reason, you would think that I would because it

1606 is so clearly defined here. I would think, perhaps, this is

1607 a fund-raising device, or it could mean--what's the date of

1608 this mailgram?

1609 . Q It appears at the top to be October 21, 1985.

1610 . A In all honesty, I just don't know.

1611 . Q Does that relate in any way to contributions for

1612 military equipment?

1613 . A It could and could not.

1614 . Q Did you draft his mailgram?

1615 . A No, sir.

1616 . Q Who did?

1617 . A It appears to me to be Mr. Channel's writing,

1618 Spitz' writing.

1619 . A Turning to the next document, which is a letter from

1620 Mr. Brandon, dated February 12, 1986, to your attention and

1621 Mr. Channel's attention; is that the transmittal letter that

1622 accompanied the \$100,000 contribution for missiles that you

1623 described earlier?

1624 . A Yes, sir, it is.

1625 . Q Now, you will note the first paragraph where he says

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1626 that 'It is particularly gratifying to respond to the
1627 request for tax-free contributions, as I am herewith.' Do
1628 you know the basis for his understanding that this was a tax-
1629 free contribution?

1630 . A That would, to me, be the fact that he knew that the
1631 National Endowment was a non-profit foundation and, as such,
1632 contributions to it were tax deductible. I had worked with
1633 Inman for some time and ever since the inception of the
1634 National Endowment, he would have known from telling him in
1635 the past that it was a tax deductible.

1636 He sort of misphrases, actually tax free is not right.
1637 But I, of course, know what you mean, what he is saying.

1638 It would just be--you probably know a contribution to the
1639 American Red Cross is tax deductible, and he would know it
1640 is to NEPL.

1641 . Q The discussions that you and Mr. Channel had with
1642 Mr. Brandon indicated to him that a contribution to NEPL
1643 would be a tax deductible contribution; is that correct?

1644 . MS. MORRISON: That's not what he's saying.

1645 Tom, he's saying that conversation may well not have but
1646 that prior affiliation with the organization.

1647 . MR. FRYMAN: Well, let me rephrase the question.

1648 . BY MR. FRYMAN:

1649 . Q Do you recall a discussion that you had with Mr.
1650 Brandon where you indicated that his contribution for the

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1651 \$100,000 reflected in this letter, would be a tax deductible
1652 contribution?

1653 . A No, sir. I do not.

1654 If that had happened, it would have taken place at the
1655 meeting we had in January when this grant was solicited, and
1656 I remember what I have told you about that conversation, and
1657 the missiles being solicited, but I, in all honesty, don't
1658 remember going into detail to whether it's tax deductible or
1659 not at that meeting, because that was not the purpose of the
1660 meeting. The purpose of the meeting was to talk about the
1661 grant.

1662 . Q But at the time of that meeting there had been a
1663 history of discussions with Mr. Brandon where you understand
1664 that he understood that contributions to NEPL were tax
1665 deductible; is that correct?

1666 . A Yes, from prior conversations.

1667 . Q From prior conversations?

1668 . A Yes, sir.

1669 . Q Do you recall specifically this letter dated
1670 February 12, from Mr. Brandon?

1671 . A Yes, sir.

1672 . Q And when you received it, and you read the first
1673 paragraph where he talked about a tax-free contribution, did
1674 you understand that to mean a tax deductible contribution?

1675 . A Yes, sir.

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1676 . Q And did you, or to your knowledge, Mr. Channel, take
1677 any steps to indicate to him that this contribution would
1678 not be tax deductible?
1679 . A No, sir.
1680 . Q Turning to the next letter from you to Mrs. McFaddin,
1681 dated March 13, which is a document with the identification
1682 number 33501, by your counsel--
1683 . A To Mrs. McFaddin; okay.
1684 I have got that.
1685 . Q Do you recall sending this letter?
1686 . A No, I don't recall specifically sending it but
1687 that's my signature so I am sure I sent it.
1688 . Q Do you know if this was a solicitation for a
1689 contribution to NEPL?
1690 . A Well, it's obviously a solicitation because I asked
1691 her for money.
1692 . Q Yes, but was it for NEPL as opposed to ACT or
1693 Sentinel?
1694 . A Yes, sir, it was for NEPL. I refer to it being tax
1695 deductible.
1696 . Q And this is for funds for the purchase of air time
1697 in connection with the vote in Congress next Wednesday,
1698 March 19; is that correct.
1699 . A Yes. This would have been our--this would have been
1700 part of the Sentinel American Freedom program, is what I was

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1701 asking her for.

1702 . Q Did you draft this letter or did Mr. Channel[✓].

1703 . A Probably I did.

1704 . Q Was it your understanding of the television

1705 advertisements being sponsored by NEPL was to attempt to

1706 effect a constitutional vote scheduled for March 19?

1707 . A No. It was my understanding that NEPL was doing

1708 things--was doing the ads for the Central American Freedom

1709 program to discuss the Nicaraguan Freedom fighter issue and

1710 why it was important for the American people to support

1711 that.

1712 What seems to be the case here is we had gotten up so

1713 close to the vote--the date of the letter is the 13--that

1714 inevitably every one was very, very--as far as our office

1715 goes was very focused in on this upcoming vote, and I put

1716 this in here in this context, is what I gather.

1717 . Q Well, there was no intention of running the ads

1718 after the vote, was there?

1719 . A I wouldn't think so, no.

1720 . Q Why not?

1721 . A Because then the issue would be over for the moment.

1722 Even if it had been voted down it would be another year

1723 before it came up again if it was the final vote.

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1724 RPTIS CANTOR

1725 DCMN PARKER

1726 . Q So is it correct that your understanding of the
1727 purpose of the ads was to attempt to affect the vote?

1728 . MS. MORRISON: He answered that question already.

1729 . MR. FRYMAN: In light of his last answer, Mrs.
1730 Morrison, I thought it appropriate to pose the question to
1731 him again.

1732 . MS. MORRISON: You are asking him when he wants to
1733 change his testimony in response to that question?

1734 . BY MR. FRYMAN:

1735 . Q In light of your last answer, do you wish to change
1736 your earlier answer, Mr. Smith?

1737 . A No.

1738 . Q Turning to the next document, which is a mailgram
1739 dated April 17, 1986, from you to Jerry Finger, in that
1740 mailgram, Mr. Smith, there is a reference toward the middle
1741 to a working dinner. "After the dinner, a special project
1742 to specifically support the President's goals in regard to
1743 Nicaragua will be discussed and undertaken by the group."

1744 . What does that phrase refer to, and what is the
1745 special project?

1746 . A This would have been April 17, 4-17; is that what
1747 that is?

1748 . Q That is what I understand it is, yes.

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1749 . A And we know the year?

1750 . Q It says 1986.

1751 . A Here we go, okay. Thank you. This would have been

1752 the Central American Freedom Program, and this would have

1753 been the television, I suppose. The various components of

1754 that program, and the special project would have been that,

1755 and it would have been telling the group about that, those

1756 who didn't yet know about it.

1757 . Q Does the phrase, "'special project,'" in that

1758 mailgram refer to military aid or solicitation for military

1759 aid?

1760 . A No, sir, Mr. Fryman. I understand why you would

1761 think that, but that is just Mr. Channel's writing. That is

1762 how he wrote things. It didn't necessarily mean anything

1763 sometimes, and sometimes it did. To me, when you ask me, my

1764 honest answer to you is it would mean the Central American

1765 Freedom Program, but it might have meant just a nice way to

1766 write--to send out a nice direct mail tactic in the form of a

1767 mailgram.

1768 . Q Turning to the next document, which is document

1769 33520, and is a handwritten letter signed, "C. L. S. E." to Mary

1770 Jo, dated April 22, 1986; is that your handwriting, Mr.

1771 Smith?

1772 . A Yes, it is.

1773 . Q And to whom is that letter addressed?

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1774 . A It is Mary Jo Pentacost.

1775 . Q Would you read that for the record?

1776 . MS. MORRISON: The document is here. It is part of

1777 the record.

1778 . MR. FRYMAN: The handwriting is not completely

1779 clear, and I just think it would be useful to read the

1780 handwriting into the record.

1781 . THE WITNESS: "Mary Jo: I want you here to stand

1782 hand in hand and heart in heart with me to have your private

1783 moment alone suspended forever in time with the President.

1784 You will never forget it, Mary Jo. Cliff"

1785 . BY MR. FRYMAN:

1786 . Q What were you attempting to convey by this letter,

1787 Mr. Smith?

1788 . A I am a little bit confused myself, because of the

1789 date of the letter. In all likelihood, what this was, Mr.

1790 Fryman, was during the course of my employ with Mr. Channel,

1791 we engaged the service of Mr. David Fisher, who from time to

1792 time helped to arrange meetings at the White House, and I

1793 imagine that this was an effort to try and have Mr. and Mrs.

1794 Pentacost, Mary Jo and possibly their sister, Mrs. McKinley,

1795 to come up and have a meeting with the President.

1796 . They are some of the most literally, out of

1797 everyone I have ever met in my life, some of the most

1798 committed people to what they believe in, and they were not

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1799 | able to come, and the reason I am confused about this is
1800 | because it seems to me the date should have been in January,
1801 | because that is when the meeting, the group meeting with the
1802 | President was.

1803 | Since it is in April, I would imagine this was an
1804 | effort to have them come up alone and meet with the
1805 | President, and have Mr. Fisher arrange this. Does that help
1806 | any?

1807 | Q Is this your phrasing in this letter?

1808 | A Yes, it is.

1809 | Q Mrs. Pentacost, by this point, had made a
1810 | contribution for military supplies; is that correct?

1811 | A Yes, sir, in all likelihood.

1812 | Q What had the total amount of her contributions been
1813 | by this point?

1814 | A I would imagine about \$35,000, somewhere around
1815 | there, 35 to 40, I would say.

1816 | Q At this point, did you expect that you might be
1817 | able to obtain additional contributions from Mrs. Pentacost?

1818 | A We, as long as I was under the employ of Mr.
1819 | Channel, and we were working on various projects, we would
1820 | need the financial support of our contributors. So I don't
1821 | think I would ever reach a point where I would say, "Well,
1822 | no, we don't need any support."

1823 | Q Was it your understanding that Mrs. Pentacost had

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1824 | what you considered to be substantial wealth?
1825 | MS. MORRISON: Can we go off the record?
1826 | [Discussion held off the record.]
1827 | BY MR. FRYMAN:
1828 | Q I will withdraw the last question, Mr. Smith.
1829 | What was the reason that you were proposing a
1830 | meeting between the President and Mrs. Pentacost and her
1831 | sister?
1832 | A And her husband.
1833 | Q And her husband.
1834 | A The Pentacosts were very special people who had
1835 | contributed to the best of their ability, very generously,
1836 | and we thought it would be very nice if they could see the
1837 | President.
1838 | Q Do you know if the Pentacosts ever met with
1839 | President Reagan?
1840 | A Yes, they did.
1841 | Q Turning to the next document, which is a letter
1842 | dated April 23, 1986, from you to Mrs. Patricia Back, do you
1843 | recognize that letter?
1844 | A Yes, I do, if I can read it through one more time.
1845 | [Off the record.]
1846 | MR. FRYMAN: Back on the record.
1847 | THE WITNESS: You would like an explanation of this
1848 | letter?

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1849 MR. FRYMAN: You asked the question very well, Mr.
1850 Smith. On this one you can provide both the question and
1851 the answer.

1852 THE WITNESS: To be as brief and make as much sense
1853 as possible, the National Endowment was hoping to enter into
1854 a project called, "The Future of Freedom Forums." This
1855 idea came about in late 1985. It would be a series of
1856 speaking engagements by which the major Presidential
1857 candidates for 1988 would be invited to speak at NEPL
1858 sponsored events called the Future Freedom Forums, and give
1859 the candidate an opportunity to talk about ^{whom he wanted to} ~~everyone~~ talked
1860 about.

1861 We had tried to go with the first one with Vice
1862 President Bush. Mrs. Beck in Dallas is a great supporter of
1863 Vice President Bush, and is a great fan and friend of his, I
1864 understand, and we were going to use this opportunity at her
1865 home. She has quite a substantial home, to have a nice
1866 group of folks there invited from across the political
1867 spectrum in Dallas, to give everybody a chance to come and
1868 hear Bush, and it was going to be filmed and taped and the
1869 video tapes were then going to be distributed to
1870 various--whoever wanted them down the road, if they wanted to
1871 learn more about Vice President Bush and his views and
1872 opinions on the issues.

1873 So I went down, saw Mrs. Beck, met with her and

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1874 solicited this grant, and she was very kind to give it, and
1875 this was in December of 1985 when I did this, and from
1876 December of 1985 until April of 1986, it just dragged. We
1877 had received tentative--well, approval for the project, it is
1878 my understand^{ing} from Vice President Bush's office, and then it
1879 seems that there were conflicts that arose, and he was
1880 unable to go through with participation in this effort.

1881 . Q So you returned the grant?

1882 . A Yes, because we weren't going to have it at her
1883 house, and she wanted the money back, so of course we hadn't
1884 spent it because the project hadn't gone like we had hoped
1885 according to schedule.

1886 . Q You referred earlier to contributions or a
1887 contribution from Mr. Beck for certain items of military
1888 equipment.

1889 . A Yes.

1890 . Q This letter has nothing to do with that
1891 contribution; is that correct?

1892 . A Absolutely nothing.

1893 . Q If you would turn to the next pages, which are
1894 36710 through 36714, which refer to a fund-raiser meeting on
1895 May 23, 1986, do you recall attending such a fund-raiser
1896 meeting on or about that date?

1897 . A No, sir, I do not recall being at this particular
1898 meeting. I am aware of what this is, and I know of it and

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1899 it is in here.

1900 . MS. MORRISON: You answered the question.

1901 . BY MR. FRYMAN:

1902 . Q Have you seen these pages before?

1903 . A No.

1904 . Q What do you mean you know everything that is in

1905 here?

1906 . A If this is what I think it is, this is what Jane

1907 McLaughlin^u talked about on national TV^D when she came out

1908 earlier this year and was discussing her employment under

1909 Mr. Channel^L and things that she did.

1910 . Q Is your only knowledge of this from hearing the

1911 discussion on television by Jane McLaughlin^u?

1912 . A Other than with counsel, yes, sir.

1913 . Q On page 36712, Mr. Smith, toward the middle of the

1914 page, there is a statement, "'So when these people give us

1915 \$30,000 and our ads cost \$35,000 a day around the country,

1916 there are in many districts literally giving a political

1917 contribution to support President Reagan's congressional

1918 candidates.'" Do you recall any discussion with Mr. Channel^L

1919 or other employees of the Channel^L organizations similar to

1920 that statement in connection with fund-raising activities

1921 for the Central American Freedom Program?

1922 . A Never.

1923 . Q Turning to page 37345, which is a letter to you

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1924 from Richard Miller, dated September 2, 1986--

1925 . A Letter for Richard Miller from me.

1926 . Q Yes. Refers to a record of action of the Anti-

1927 Terrorism American Committee. What was your position on

1928 that committee?

1929 . A I raised funds for it. I was not an officer, an

1930 official officer of the Anti-Terrorism Committee.

1931 . Q Were you a director of it?

1932 . A No, sir.

1933 . Q If you will look at the next page, which is 36004,

1934 which is a mailgram dated September 9, 1986, to Colonel

1935 North, it appears to be signed at the bottom by Cliff Smith,

1936 Director. Can you explain the reason for that title there?

1937 . A Mr. Fryman, I remember vaguely Mr. Channel,

1938 dictating this mailgram, and Chris Littledale and I, who

1939 worked for Mr. Channel, had worked very hard during our time

1940 of employment for him, and had been very committed to what

1941 we had been doing, and he wanted to sign our names to this

1942 just as a nice gesture to us.

1943 . I think he felt it would be nice for Colonel North

1944 to get this letter from all three of us, and since he was

1945 signing as president, I think frankly he thought it would be

1946 nice to have a title after our name, and did it just in that

1947 context.

1948 . Q That telegram concerns Congressman Michael Barnes,

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1949 and he is identified as a foe of the ~~Freedom~~ ~~Fighter~~
1950 ~~Movement~~. Had you understood Mr. Barnes to be one of the
1951 leading foes of the ~~Freedom~~ ~~Fighter~~ ~~Movement~~?
1952 . A I would find it difficult to be at all involved in
1953 working in politics in Washington and not know that Mr.
1954 Barnes is a foe of the ~~Freedom~~ ~~Fighter~~ ~~Movement~~.
1955 . Q And he had been one of the leaders of the campaign
1956 against United States aid for the Nicaraguan resistance that
1957 your organization had been supporting in 1985 and 1986, had
1958 he not?
1959 . A That is correct.
1960 . Q And you had been working with Colonel North in that
1961 campaign in support of such legislation; is that correct?
1962 . A I never discussed legislation with Colonel North,
1963 but I understand your question, I believe, is that we had
1964 been--
1965 . MS. MORRISON: You have answered the question.
1966 . BY MR. FRYMAN:
1967 . Q Colonel North had been specifying at briefings that
1968 had been a part of your fund-raising efforts for the Central
1969 American Freedom Program, had he not?
1970 . A Yes, sir.
1971 . Q This telegram or this mailgram which we are
1972 discussing--
1973 . MS. MORRISON: You have been discussing mailgram.

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1974 I think Mr. Smith has been responding to generic questions
1975 that don't have anything necessarily to do with this.

1976 BY MR. FRYMAN:

1977 2 The mailgram which is a part of Exhibit 1, which is
1978 document 36004, and which you signed together with Mr.
1979 Channey and Mr. Littledale, states that, "We at the Anti-
1980 Terrorism American Committee feel proud to have participated
1981 in a campaign to insure Congressman Barnes' defeat." Was
1982 the reason that you selected the Barnes campaign for an
1983 effort by the Anti-Terrorism American Committee the fact
1984 that Mr. Barnes had been one of the leading foes of the
1985 Freedom Fighter Movement?

1986 MS. MORRISON: Object to the question on relevance.
1987 Why Mr. Smith, whose name appears on the document you have
1988 referred to, but not his signature, or anybody else involved
1989 in those organizations may or may not have supported a
1990 particular political candidate in connection with activity
1991 by an organization that never did anything on the Nicaraguan
1992 issue directly. It seems to me, is irrelevant to these
1993 proceedings.

1994 If you want to ask the witness whether he, himself,
1995 participated in or whether he has any knowledge of
1996 discussions about the Barnes campaign with Colonel North,
1997 that might make it relevant to these proceedings. But it
1998 seems to me that the reasons why somebody supports a

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1999 political candidate or doesn't support a political candidate
2000 should be viewed with a certain amount of privilege, if you
2001 will, and particularly here where they are not relevant to
2002 matters before the committee.

2003 . MR. FRYMAN: Do you understand the question, Mr.
2004 Smith?

2005 . MS. MORRISON: Do you understand the question?

2006 . THE WITNESS: I have totally forgotten the sense of
2007 all that.

2008 . MR. FRYMAN: Would the reporter read back the
2009 question, please?

2010 . [The question was read by the reporter.]

2011 . BY MR. FRYMAN:

2012 . Q Mr. Smith, the reporter has read back my question
2013 with respect to the mailgram, which is document 36004, and
2014 my immediate question following Mrs. Morrison's remark is do
2015 you understand the question that I posed to you about that
2016 mailgram?

2017 . A Yes.

2018 . Q Would you answer the question?

2019 . MS. MORRISON: I will direct the witness on the
2020 basis of the objection that I have already placed on the
2021 record not to answer the question.

2022 . MR. FRYMAN: Mrs. Morrison, I have a number of
2023 additional questions for Mr. Smith with respect to the

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2024 activities by this committee in ^{relation} ~~position~~ to Congressman
2025 Barnes. Rather than taking unnecessary time today, is it
2026 your position that you will direct the witness not to answer
2027 any questions relating to that campaign?

2028 MS. MORRISON: Within the confines of the last
2029 objection that I made, yes.

2030 MR. FRYMAN: When you say, "within the confines,"
2031 you mean for the reasons stated in your last objection you
2032 would make a similar objection?

2033 MS. MORRISON: I would except to the extent that
2034 the question that I suggested to you, whether or not Mr.
2035 Smith is aware of activities by Colonel North that involve
2036 that particular campaign, I think if you wanted to explore
2037 that particular area there might be some acceptable
2038 questions there, but otherwise, yes, I would continue my
2039 objection to anything else.

2040 BY MR. FRYMAN:

2041 Q Let me ask one question related to the one you
2042 suggested. Why did you send this telegram to Colonel North?

2043 MS. MORRISON: That doesn't necessarily get us to
2044 the same question, Mr. Fryman.

2045 MR. FRYMAN: So you are directing the witness?

2046 MS. MORRISON: As you know from earlier dealings--

2047 MR. FRYMAN: So you are directing the witness not
2048 to answer that question?

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2049 . MS. MORRISON: Yes, insofar as the record doesn't
2050 already reflect that it is not something he drafted, but
2051 rather something Mr. Channel[✓] drafted.
2052 . BY MR. FRYMAN:
2053 . Q I believe your prior testimony, Mr. Smith, is that
2054 you participated and discussed with Mr. Channel the sending
2055 of this mailgram, is that not correct?
2056 . A No, sir. I did not help write it in that way of
2057 participation. I believe I didn't know about it until after
2058 it was already written, and when he was dictating it, I
2059 believe over the phone, he had already written it.
2060 . Q But you knew about it before it was sent.
2061 . A Perhaps.
2062 . Q And you knew your name was going to be signed to
2063 it, or your name was going to be included at the end of the
2064 paragraph as one of the senders of the mailgram?
2065 . A I would like to slightly alter what I said a moment
2066 ago. My confusion comes over the fact that I cannot
2067 remember whether I saw the Western Union copy that comes to
2068 you after you send a mailgram. They send it to you in the
2069 mail as just a confirmation, or whether I heard Mr. Channel
2070 dictating this.
2071 . I was around him many times when he would dictate
2072 things over the phone, and it was one of the two, so I could
2073 have known.

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2074 . Q Did you concur in the sending of this telegram or
2075 mailgram?

2076 . MS. MORRISON: We are getting into a conclusion,
2077 Mr. Fryman. He has just told you he is not even sure
2078 whether he knew that it was being sent before it was sent.
2079 He may have learned about it for the first time when a copy
2080 was received back at the office. That doesn't sound like
2081 concurrence to me. It sounds like learning that an action
2082 has been performed.

2083 . BY MR. FRYMAN:

2084 . Q Do you understand my question, Mr. Smith?

2085 . A If I was not aware that it was being sent, not
2086 until after the copy came in the mail, then I don't see how
2087 I could concur with it if I don't know until afterwards.

2088 . Q As I understand it, your recollection now is that
2089 you may have been aware of this before it was sent, or you
2090 may have been aware of it after it was sent, and you are not
2091 sure which.

2092 . A That is my testimony.

2093 . Q That is correct.

2094 . A Yes, sir.

2095 . Q On the assumption that you were aware of it before
2096 it was sent, did you take any steps to stop the sending of
2097 the mailgram?

2098 . MS. MORRISON: Now we are getting into if's and

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2099 hypotheticals. He doesn't remember whether he knew about it
2100 before or after, whether he had any recollection of it
2101 occurring before the fact, then he would have a clear
2102 recollection about whether or not he knew it was sent before
2103 or after the fact, so it seems to me that the inference to
2104 be drawn from the testimony is he didn't have a whole hell-
2105 of-a-lot to do with it before it got sent and if he did, it
2106 didn't involve himself so that he can now even recall
2107 whether he knew about it before the fact or after the fact.

2108 . BY MR. FRYMAN:

2109 . Q I don't want to prolong this. Let me ask one final
2110 question. At the time you became aware of this mailgram,
2111 whenever it was, did you take any steps to have the mailgram
2112 withdrawn or have your name removed from it?

2113 . A I would not have had the power to do that.

2114 . Q So is the answer to my question, no?

2115 . A Not necessarily.

2116 . Q Let me ask the question again. At the time you
2117 learned of this mailgram, did you take any steps to have the
2118 telegram or mailgram withdrawn.

2119 . MS. MORRISON: Mr. Fryman, if he didn't believe at
2120 the time that he had the power to take such steps, he might
2121 well not have ever even considered taking any.

2122 . MR. FRYMAN: He can say yes or no, and explain the
2123 reasons, but I think I am entitled to a yes or no.

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2124 . THE WITNESS: A yes or no and to whether I would
2125 have stopped it if I could or withdrawn it.
2126 . MR. FRYMAN: No, did you take any steps?
2127 . MS. MORRISON: Did you actually do anything to get
2128 your name taken off that?
2129 . THE WITNESS: No, I did not.
2130 . MR. FRYMAN: Off the record.
2131 . [Discussion held off the record.]
2132 . MR. KAPLAN: Back on the record.
2133 . Mr. Smith, do you know why this mailgram was sent?
2134 . MS. MORRISON: Actually I have the same objection
2135 to that question that I had to the one Tom asked earlier.
2136 It could revolve around a whole lot of reasons that have
2137 nothing whatsoever to do with the matters before this
2138 committee.
2139 . MR. KAPLAN: I think if we get an answer to that
2140 question, which is just a yes or no as to whether he knows
2141 why, I think we may be able to break down the ones that
2142 might have something to do with relevance to this committee
2143 and the ones that don't.
2144 . MS. MORRISON: The witness has asked for a moment
2145 to consult, so we will take a couple of minutes.
2146 . [Recess.]

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2147 RPTS MCGINN

2148 DCMN QUINTERO

2149 . MR. KAPLAN: I will just repeat the question for the
2150 benefit of coming back on the record.

2151 . BY MR. KAPLAN:

2152 . Q Mr. Smith, we are talking about a mailgram that's
2153 number A-36004, that's been provided to the committee by
2154 your counsel in connection with the investigation, and I
2155 just ask you if you knew why this mailgram was sent to
2156 Colonel North?

2157 . A No.

2158 . Q Do you know whether Colonel North requested that
2159 this mailgram be sent to him?

2160 . A I do not know he requested that.

2161 . Q Do you know whether Colonel North had any
2162 communications with Mr. Channel[✓] yourself, or anyone else at
2163 the NEPL, with respect to the United States Senate Campaigns
2164 that was conducted by then Congressman Michael Barnes?

2165 . A To the best of my knowledge, he never did.

2166 . Q Just as a practical matter, do you know why a
2167 decision was made to communicate to Colonel North by
2168 mailgram rather than by telephone call with respect to an
2169 event that certainly was in the press in this area?

2170 . MS. MORRISON: Objection.

2171 I don't see that that's relevant to what we are about

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2172 here. What may have motivated Mr. Channel^L is not relevant,
2173 particularly given the record we have here, where he is not
2174 aware of Colonel North and Mr. Channel^L having any
2175 communications about the campaign.

2176 It's not really relevant to have him hypothesize. He said
2177 he didn't know why it was sent.

2178 MR. KAPLAN: If he has--given the record that has
2179 been established throughout the course of these
2180 investigations with respect to communications between NEPL
2181 officials and Colonel North, I think it's relevant to the
2182 committees' investigation as to if he knows why a mailgram
2183 ~~from~~^{of} communication was chosen in this instance, as
2184 opposed to telephonic communication, or a face-to-face
2185 meeting to convey some information as has been used with
2186 respect to many other communications between NEPL employees
2187 and Colonel North. That was really all I was asking, as to
2188 whether he knows why the mailgram ~~from~~^{of} communication was
2189 chosen here.

2190 If he does, I would like to pursue it; and if he doesn't,
2191 there's nothing to pursue.

2192 THE WITNESS: In answer to your question as to why a
2193 mailgram format was chosen, I do not know.

2194 MR. KAPLAN: Can we just go off the record for a
2195 second?

2196 [Discussion off the record.]

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2197 . MR. FRYMAN: Why don't I wind my questions up.

2198 . MR. KAPLAN: I thank Mr. Fryman for his indulgence,

2199 and I turn the questioning back over to him.

2200 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

2201 . BY MR. FRYMAN:

2202 . Q Moving on in Exhibit 1, Mr. Smith, would you turn to

2203 the handwritten notes dated November 14, 1986, which have

2204 your counsel's control number 33332 at the bottom?

2205 Are those notes in your handwriting?

2206 . A No, sir.

2207 . Q Do you know whose handwriting that is?

2208 . A It is possibly Dan Conrad's handwriting.

2209 . Q Have you seen this document before?

2210 . MS. MORRISON: Other than through counsel?

2211 . THE WITNESS: No, sir. To the best of my

2212 recollection, I have not seen it before.

2213 . BY MR. FRYMAN:

2214 . Q Do you recall Mr. Conrad's requesting this type of

2215 information from you?

2216 . A No, sir.

2217 . Q All right.

2218 Turning to the next document, which is document 33121,

2219 it's a memo from Steve to Cliff/ and Spitz, dated December

2220 2, 1986. do you recognize that document?

2221 . A No, sir.

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2222 . Q You do not recall receiving that document?

2223 . A No, sir.

2224 . Q Do you recall discussions about whether the Goodman

2225 Agency had billed the correct Channel^L/organization for work

2226 that the agency had performed or for advertising time that

2227 it had purchased?

2228 . A Yes, sir.

2229 . Q When did those discussions occur?

2230 . A I believe in December of '86, and January of '87.

2231 . Q Who did you have such discussions with?

2232 . A Mr. Channel^L--

2233 . Q Mr. McMahon?

2234 . A Mr. McMahon, and Adam and Bob Goodman, primarily

2235 Adam.

2236 . Q What was the issue in those discussions?

2237 . A Okay. I'm going to read this first.

2238 . Q My question is really broader than this memo. My

2239 question relates to your recollection of the memo issue in

2240 late 1986, or early 1987. You are free to look at that memo

2241 if you feel that will assist your recollection.

2242 . A It's my recollection that the Goodman Agency made

2243 some errors in how they invoiced charges to various Channel^L

2244 organizations, and that could be what you are talking about

2245 here.

2246 . Q Do you recall the magnitude of funds that were

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2247 discussed with respect to these errors?

2248 Are we talking about an amount in excess of \$100,000?

2249 A I remember having discussions about the amount, but

2250 I can't remember the amount.

2251 Q What do you recall was the resolution of these

2252 discussions?

2253 A I don't know if it ever was resolved.

2254 Q Was this a matter that you had primary

2255 responsibility for, that is working out a correction of the

2256 billing or determining what the error was, or is this a

2257 matter that someone else had primary responsibility for?

2258 A For a short time Mr. Channel^L asked me to help in

2259 looking into this. It was one of the most confusing things

2260 I have ever looked into.

2261 I had a meeting with Adam Goodman on this issue, and as I

2262 said, I still don't know if it was ever resolved, because I

2263 believe that it was certainly Mr. Channel^L's view that there

2264 was some errors in billing.

2265 I haven't thought of this in months and months, so that's

2266 why I am vague on it.

2267 Q Was this something that Mr. McMahon was involved in?

2268 A Yes, sir.

2269 Q And Mr. Channel^L also?

2270 A Yes, sir.

2271 Q And Mr. Goodman, Adam Goodman on the side of the

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2272 agency?

2273 . A Yes.

2274 . Q All right.

2275 Turning to the next document, which is document 33269 and

2276 33270, do you recall having seen these pages before?

2277 . A No. I have not seen this document.

2278 . Q Do you recall any discussions with Mr. Channel^L or

2279 anyone else within the Channel^L organization about the

2280 International Youth Conference or the International Youth

2281 Year?

2282 . A I have one vague recollection of Mr. Channel^L

2283 mentioning this to me, I believe in 1985.

2284 . Q What did he say?

2285 . A That we might be participating in some type of youth

2286 conference, and then I never heard anything else about it.

2287 So I assumed it went by the wayside.

2288 . Q That one conversation is the only matter that you

2289 recall relating to that subject?

2290 . A Yes, sir.

2291 . Q Turning to page 36003, which is a page of

2292 handwritten notes headed "'Ollie solicitation'" at the top,

2293 is that your handwriting?

2294 . A Yes, sir.

2295 . Q Would you read for the record what appears on that

2296 page?

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2297 . A It says, 'Ollie solicitation; Barnes campaign;
 2298 indict Ollie; execute President,' or abbreviation for
 2299 'President's policy; can be beaten; one reason here'--I
 2300 don't know what this is--something--

2301 . Q Is that Maryland, MD or Maryland?

2302 . A Yes, but that makes no sense. Something 'wants me
 2303 to enlist those are engaging in secret activities' or looks
 2304 like activities.

2305 'Washington and Baltimore media, your 5000 would help a
 2306 great deal to; \$200,000 program to get Barnes, newspaper,
 2307 TV.' There's a phone number '(203) [REDACTED] own
 2308 foundation.'

2309 . Q Do you recall making those notes?

2310 . A No.

2311 . Q Do you recognize the phone number on the page?

2312 . A No, sir.

2313 . Q Do you know what the occasion was when you made
 2314 these notes?

2315 (Reporter read question back at the request of Mr.
 2316 Fryman.)

2317 . A I believe I remember these were notes that Mr.
 2318 Channel gave me probably over the phone during the
 2319 independent expenditure campaign that a PAC did in Maryland.

2320 . Q So these are notes of a conversation with Mr.
 2321 Channel?

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2322 . A I believe so.

2323 . Q Now, what does the phrase at the top 'Ollie
2324 solicitation' mean?

2325 . A It could have been how Spitz told me to cast
2326 solicitation, just called it the 'Ollie solicitation,' but
2327 I don't remember specifically.

2328 . Q In other words, you would make an appeal to a
2329 contributor and you would characterize it as a solicitation
2330 on behalf of Colonel North? Is that what you are saying?

2331 . A No.

2332 . Q Would you explain then what you mean by that?

2333 . A Because the contributor might have met or know about
2334 Colonel North, using his name with the contributor might
2335 have some impact so that could explain that.

2336 . Q And does the second line, 'Barnes campaign,'
2337 indicate that these were contributions you were seeking for
2338 the Barnes campaign?

2339 . A Contributions for the independent expenditure.

2340 . Q In connection with the campaign against Congressman
2341 Barnes; is that correct?

2342 . A Well, the independent expenditure was not against
2343 Congressman Barnes. It was for Linda Chavez.

2344 . Q All right.

2345 But the phrases in these notes 'Barnes campaign' refers
2346 to the independent expenditure made in that Senate race; is

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2347 | that correct?

2348 | . A Yes, sir.

2349 | . Q Now, moving down toward the center of those notes

2350 | you use the phrase "Enlist those who are engaging in secret

2351 | activities." What does that refer to?

2352 | . A As I sit here now, I don't recall what it meant at

2353 | the time.

2354 | . Q Mr. Smith, looking at your handwriting and those

2355 | lines again, you indicated you believe the word was

2356 | "enlist" I believe, to enlist those who are engaging.

2357 | . A That's what it looks like.

2358 | . Q But focusing on that word there appears to be a

2359 | *mark of transcription*
~~Department of Transportation~~ over the first letter. Is it

2360 | possible that that word is "indict," and the initials that

2361 | you could not determine at the beginning could that be

2362 | "MB," instead of "MD," so that that would read, "MB

2363 | wants me to indict those who are engaging in a secret

2364 | activities"?

2365 | . A It's possible it could be that.

2366 | . Q Well, again, it is your handwriting, and I'm just

2367 | trying to determine what that phrase is in your own

2368 | handwriting.

2369 | . A So your question to me is, is it possible it could be

2370 | that, instead of how I read it, and my answer to you is,

2371 | yes, that is possible. Again, this would have been written

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2372 a year ago and I'm--I just--

2373 . Q Well, at this point do you have any recollection of

2374 what the phrase "secret activities" means in that

2375 sentence?

2376 . A That would probably mean, although this is a guess,

2377 Colonel North's activities, such as going down to Central

2378 America.

2379 . Q Do you know there's the phrase "program to get

2380 Barnes"?

2381 Do you see that phrase?

2382 . A Uh-huh.

2383 . Q Was it your understanding that you were soliciting

2384 funds to support a program to get Barnes?

2385 . A I was raising funds to fund an independent

2386 expenditure, and it as an independent expenditure to help

2387 elect a Republican Senator from Maryland.

2388 . Q What is the significance of that phrase in your

2389 handwritten notes, the phrase being program to get Barnes?

2390 . A I don't remember. I mean, if there was some

2391 program, I don't remember what that would mean.

2392 . Q Is it your recollection that these are notes that

2393 you made from a conversation with Mr. Channel giving you

2394 directions about how to approach various contributors?

2395 . A To the best of my recollection, that's what these

2396 notes would be.

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2397 . Q Do you recall which contributors you contacted?

2398 . A No, sir.

2399 . Q Did you contact Mrs. Newington?

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2400 RPTS CANTOR

2401 DCMN MILTON

2402 [1:15]

2403

2404 . THE WITNESS: I contacted the contributors, Mr.
2405 Fryman, to these various organizations all the time for the
2406 main projects. I'm not trying to be uncooperative. It is
2407 that I can't break it down.

2408 . BY MR. FRYMAN:

2409 . Q The phrase in these notes, "Your \$5,000 would
2410 help," is that the amount you were seeking from the
2411 contributors?

2412 . A That would have been a relevant amount since that
2413 is as much as an individual can give to a political action
2414 committee.

2415 . Q Were you seeking these funds on behalf of the
2416 Antiterrorism American Committee?

2417 . A Yes.

2418 . Q Looking again at this telephone number, Mr. Smith,
2419 do you know what area is covered by area code 203?

2420 . A I know who that is. I just remembered. That is
2421 Barbara Newington.

2422 . Q Does that indicate you called Mrs. Newington?

2423 . A No, it does not. It means I was writing this note
2424 on a piece of paper, that I already had her number down

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2425 | there or I wrote her number down just to get some place that
2426 | was in front of me.
2427 | . Q So you don't recall one way or the other whether
2428 | you contacted her?
2429 | . A For this effort?
2430 | . Q Yes.
2431 | . A I probably did.
2432 | . Q Do you recall if she made a contribution?
2433 | . A Not without looking at financial records.
2434 | . Q Do you recall now what the phrase "own
2435 | foundation" refer to down there?
2436 | . A I have been asked about that before, and I have no
2437 | idea what in the world I meant when I wrote that.
2438 | . Q Turning to the last page in this exhibit, Mr.
2439 | Smith, which has number 37851 on it, is that your
2440 | handwriting on that page?
2441 | . A No, sir.
2442 | . Q Do you know whose it is?
2443 | . A No, sir.
2444 | . Q Have you seen this page before?
2445 | . A No, sir.
2446 | . Q Mr. Smith, you were involved in fund raising for
2447 | all of Mr. Channell's organizations in 1985 and 1986, were
2448 | you not?
2449 | . A No, sir.

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2450 . Q Which ones were you not involved in?

2451 . A Grow Washington.

2452 . Q That organization was basically inactive, was it

2453 not?

2454 . A Yes, sir.

2455 . Q Other than that, were you involved in all of the

2456 other organizations?

2457 . A Yes, with the exception of Channell Corporation,

2458 which was also inactive.

2459 . Q The financial records that have been provided by

2460 counsel for Mr. Channell indicate that the total

2461 contributions in 1985 were approximately \$3.9 million. Is

2462 that consistent with your recollection of the total

2463 contributions in 1985?

2464 . A It is not consistent with my recollections because

2465 I have no idea what the total figure is.

2466 . Q You did not know the total?

2467 . A No, sir.

2468 . Q Is that true of 1986 as well? You did not know the

2469 total amounts?

2470 . A Yes, sir, that is correct.

2471 . MR. FRYMAN: Mr. Smith, I have no further

2472 questions.

2473 . MR. KAPLAN: I have no further questions.

2474 . BY MR. OLIVER:

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2475 . Q Mr. Smith, you indicated earlier that no one could
2476 have lived in Washington and not known that Mr. Barnes was
2477 an opponent of the freedom fighters, or something to that
2478 effect, is that correct?

2479 . A That was my testimony, yes.

2480 . Q What did you know Mr. Barnes had done to become an
2481 opponent of the freedom fighters?

2482 . MS. MORRISON: I will object to the question. Now
2483 he is to know that is really irrelevant, Mr. Oliver, to the
2484 reasons we are here.

2485 . BY MR. OLIVER:

2486 . Q Did you know that Mr. Barnes was the Chairman of
2487 the subcommittee of the Congress that dealt with aid to the
2488 freedom fighters?

2489 . A Yes, sir.

2490 . Q The Foreign Affairs Committee. How did you know
2491 that?

2492 . A From the media and from follow-up, just from being
2493 involved in this area. I mean I was concerned with the
2494 issue of freedom fighter aid, and I should know just as a
2495 matter of record who is in that position.

2496 . Q So you were involved in the effort to try to get
2497 congressional support for freedom fighter aid, is that
2498 correct?

2499 . A That is partially correct. I was involved more so

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2500 | than that to try and educate the American public on the
2501 | issue of freedom fighter aid.

2502 | . Q Was the Central American freedom program designed
2503 | to obtain congressional support for freedom fighter aid?

2504 | . A To the best of my recollection, there was one
2505 | component of it that used Sentinel, that the Central
2506 | American freedom program had one component which was
2507 | Sentinel, that was to lobby for freedom fighter aid. The
2508 | majority of the Central American freedom program was to
2509 | muster public support or to educate the public.

2510 | . Q What was your relationship to Sentinel?

2511 | . A I raised funds for the organization.

2512 | . Q You testified earlier you raised funds for all of
2513 | the Channell organizations except Grow Washington and the
2514 | Channell Corporation, is that correct?

2515 | . A Yes, sir, during this time period we are talking
2516 | about.

2517 | . Q So that was two political action committees, ATAC
2518 | and American Conservative Trust?

2519 | . A ATAC and ACTS, Federal PACs.

2520 | . Q Two state PACs?

2521 | . A Yes, they each had state election fund components.

2522 | . Q MEPL?

2523 | . A MEPL.

2524 | . Q Central?

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2525 . A Central.

2526 . Q Any others?

2527 . A Not during this time period. When are you talking

2528 about?

2529 . Q 1985-86.

2530 . A That's it.

2531 . Q Who were you paid by?

2532 . A I was paid by the organization that I performed the

2533 work for.

2534 . Q So you were paid by all of these different

2535 organizations at different times?

2536 . A At different times, yes.

2537 . Q But you remained in the same office throughout this

2538 period?

2539 . A What do you mean, the same building or the same

2540 room?

2541 . Q The same physical offices. In other words, they

2542 were all located, all these organizations were located in

2543 the same place?

2544 . A Yes, sir.

2545 . Q And your bosses in all these organizations were

2546 Spitz Channell and Dan Conrad, is that correct?

2547 . A Yes, sir.

2548 . Q All these organizations were really one entity, one

2549 conglomerate, is that correct?

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2550 . A No, sir, it's not correct. Each organization was a
2551 separate legal entity with its own articles of
2552 incorporation, and each had a board of directors, and there
2553 was some overlapping of officers, but they were definitely
2554 to my understanding separate organizations. They weren't
2555 just something, a different name on a different sheet of
2556 paper for each one.

2557 . [Discussion off the record.]

2558 . MR. OLIVER: Back on the record.

2559 . BY MR. OLIVER:

2560 . Q Were you an officer of any of these corporations?

2561 . A I became treasurer of the American Conservative
2562 Trust about a year and a half ago.

2563 . Q Were you ever the treasurer of National Endowment
2564 for the Preservation of Liberty?

2565 . A No, sir.

2566 . Q In Exhibit 1, which we examined earlier, there is a
2567 piece of paper which I believe Mr. Fryman asked you about
2568 earlier. It appears to be on the letterhead of the National
2569 Endowment for the Preservation of Liberty and it's a letter
2570 signed by you, Cliff Smith, treasurer. Were you the
2571 treasurer of the National Endowment for the Preservation of
2572 Liberty?

2573 . A No, sir. At one point there had been some
2574 discussion between myself and Mr. Channell about making me

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2575 the treasurer, and it was never done, and at the time we
2576 wanted to have me an officer of NEPL, and it never went
2577 through. We never did it.

2578 . Q Is that your signature on that letter?

2579 . A Yes.

2580 . Q Why did you sign that letter if you were not the
2581 treasurer?

2582 . MS. MORRISON: He just told you they were having
2583 discussions about him being an officer including treasurer.

2584 . MR. OLIVER: Counsel, the letter indicates that he
2585 is the treasurer, under his signature. He has just
2586 testified that he was not the treasurer, so I'm asking him
2587 why he signed the letter that indicated he was the
2588 treasurer.

2589 . THE WITNESS: I thought at the time that we would
2590 be going through with this, and that I would be the
2591 treasurer at some point in the not too distant future.
2592 Therefore, I thought it was all right to go ahead and sign
2593 that name.

2594 . BY MR. OLIVER:

2595 . Q You indicated earlier that you were involved in
2596 independent expenditure in Maryland on behalf of Linda
2597 Chavez, is that correct?

2598 . A Yes.

2599 . Q Who made that decision?

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2600 MS. MORRISON: Again we are not going to get into
2601 independant expenditures, Mr. Oliver, because it's beyond
2602 the mission of this commission. The fact that some people
2603 may be interested in that issue does not render relevant the
2604 mission of these committaes. There has been enough
2605 background information provided with respect to the
2606 organization's participation in that independant expenditure
2607 campaign and the source of that campaign to demonstrate that
2608 it had nothing to do so far as this witness is concerned
2609 with any relations with the White House or the other issues
2610 that are before us here.

2611 BY MR. OLIVER:

2612 Q Mr. Smith, you testified earlier that on January 30
2613 a meeting took place in the White House where 30 or so of
2614 your major contributors were invited, is that correct?

2615 A Yes, sir.

2616 Q Did you also indicate that Linda Chavez spoke at
2617 that meeting?

2618 A Yes, sir. She was still the director of office of
2619 public liaison at the time.

2620 Q And was she helpful to your organizations while she
2621 was in that position?

2622 A I honestly don't know, because I didn't coordinate
2623 any of that that went on.

2624 Q Were you at the White House briefing?

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2625 . A Yes, sir.

2626 . Q Did she speak at the briefing?

2627 . A Yes, for a few moments.

2628 . Q Do you remember what she said?

2629 . A No, sir.

2630 . Q Do you remember whether or not it was in support of

2631 your organization's activities?

2632 . A As I said, I don't remember what she said. I would

2633 not think she would have spoken against the organization.

2634 . Q Did your activities on behalf of Linda Chavez have

2635 anything to do with her previous connection with the

2636 organization while she was in the White House?

2637 . MS. MORRISON:

2638 Objection to the form of the question. There has been no

2639 established record that there was a connection between her

2640 and the organization.

2641 . MR. OLIVER: He just indicated, Counsel, that she

2642 spoke at the briefing for the 30 large contributors at the

2643 White House on January 30.

2644 . MS. MORRISON: He also said he didn't know whether

2645 she had anything else to do with the organizations.

2646 . BY MR. OLIVER:

2647 . Q She spoke at a briefing for your organization, is

2648 that correct?

2649 . MS. MORRISON: Mr. Oliver, people who are employed

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2650 and represent other citizens in these two institutions, the
2651 House and the Senate, regularly speak before organizations
2652 they don't have anything to do with, and I'm certain some of
2653 them may not want to be connected with the organizations
2654 before whom she appear. The fact she appeared, momentarily
2655 said a couple of words conducted at the White House, and
2656 this witness said he doesn't know whether she supported or
2657 had anything to do with the organizations, doesn't make her
2658 connected with the organization.

2659 . There is no foundation for the question. Please
2660 rephrase it or move on.

2661 . BY MR. OLIVER:

2662 . Q Mr. Smith, in 1985 your organization had several,
2663 at least two briefings, I believe, at the White House, one
2664 in June and at least one in October, is that correct?

2665 . A Yes, sir.

2666 . Q Did Linda Chavez appear at those briefings?

2667 . A Not to my recollection.

2668 . Q Do you remember who appeared at those briefings?

2669 . A At the White House portion?

2670 . Q Yes.

2671 . A Colonel North.

2672 . Q Anyone else?

2673 . A I think someone introduced Colonel North at the
2674 first briefing in June of '85, but I can't remember who it

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2675 was. No, I came in late to that briefing, so I have to
2676 withdraw that.

2677 . Other than Colonel North, I don't believe there
2678 were any other White House officials who spoke.

2679 . Q Let's go back for a moment to document A0036003
2680 that Mr. Fryman asked you about earlier. I believe it's the
2681 next to the last document. You indicated earlier that the
2682 independent expenditures in Maryland that you were
2683 attempting to raise money for were on behalf of Mrs. Chavez,
2684 is that correct?

2685 . A Mr. Oliver, upon further reflection, it might not
2686 have been on her behalf. It might just have been an
2687 independent expenditure taking place during that particular
2688 campaign discussing both of those candidates as in the ad
2689 discussed Barbara Mikulski and Linda Chavez.

2690 . Q Why does only Mr. Barnes' name appear on this in
2691 your notes, if it might have been related to Mrs. Mikulski
2692 or Mrs. Chavez?

2693 . MS. MORRISON: Mr. Oliver, he testified earlier
2694 that these were notes he took because he was having a
2695 conversation with Mr. Channell and reflecting what Mr.
2696 Channell was saying. That is why Mr. Barnes' name is there.

2697 . BY MR. OLIVER:

2698 . Q You indicated earlier that this might have been a
2699 phone conversation with Mr. Channell, is that correct?

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2700 . A Possibly, yes, sir.

2701 . Q Could it have been a meeting of your fund raisers?

2702 . A No, sir.

2703 . Q Where you took these notes?

2704 . A The reason I said that it was possibly a phone

2705 conversation is to me it appears to have the format of

2706 taking quick notes when you are talking on the phone. If it

2707 had been a face-to-face meeting with other people, I think

2708 my notes would have been more extensive because I had a

2709 habit of making more extensive notes when I was at a

2710 meeting.

2711 . Q Was the usual method of operation as fund raiser

2712 with Mr. Channell to have a meeting among the fund raisers

2713 to decide on a program or a project for which you were going

2714 to raise money, and then for the fund raisers to solicit the

2715 contributors who they had developed or worked with over a

2716 period of time on behalf of that project?

2717 . A What you have said is partially true, and if you

2718 don't mind, I will refine it a bit.

2719 . Q If you would elaborate on it, I would appreciate

2720 it.

2721 . A Usually the project was already decided by Mr.

2722 Channell at the point that a meeting would take place with

2723 the staff, and a meeting would take place in order to

2724 discuss the project, whatever it might be, and then the fund-

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2725 | raising staff would conduct solicitations regarding that
2726 | project later.

2727 | . Q When you made a solicitation over the telephone,
2728 | did you generally take notes as to what was said?

2729 | . A When I'm talking to a contributor, is that your
2730 | question?

2731 | . Q Yes.

2732 | . A Sometimes.

2733 | . Q Was there some kind of a report that was given to
2734 | Mr. Channell and/or Mr. Conrad based on solioitations that
2735 | you made?

2736 | . A I did not engage in that kind of reporting.

2737 | . Q Did the others, other fund raisers?

2738 | . A They could have. I have never seen any notes to
2739 | that effect.

2740 | . Q Do you recall which of the individual contributors
2741 | you had primary responsibility for?

2742 | . A Yes, sir.

2743 | . Q Could you tell me who they were?

2744 | . MS. MORRISON: Mr. Oliver, we have already gone
2745 | over this.

2746 | . MR. OLIVER: I would like to go over it again,
2747 | Counsel. I don't believe that this question has been asked
2748 | of him, and I would like to know who the contributors were
2749 | that he had primary responsibility for.

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2750 . MS. MORRISON: For the purpose of speed, I will
2751 allow him to answer what he recalls now, but the question
2752 was asked and the answer solicited earlier in the testimony
2753 today.

2754 . THE WITNESS: Mr. Brandon, Mr. and Mrs. Pentacost,
2755 Ms. McKinley, Mr. Driscoll, Dr. Adamkiewicz, Ms. Christian
2756 at times. That should do it.

2757 . BY MR. OLIVER:

2758 . Q Did you solicit these people for each project as
2759 direct^{ED} by Mr. Channell? Did you solicit them for
2760 different projects at the direction of Mr. Channell?

2761 . A Yes, sir.

2762 . Q Did you solicit some of these people to buy
2763 military equipment, to contribute to military equipment for
2764 the contras?

2765 . MS. MORRISON: Mr. Oliver, that question clearly
2766 has been asked and answered in a lengthy exchange between
2767 Mr. Fryman and Mr. Smith in which Mr. Smith answered all of
2768 the questions.

2769 . BY MR. OLIVER:

2770 . Q Did you solicit each one of those people or any of
2771 those people that you have just mentioned?

2772 . MS. MORRISON: The exact same objection, Mr.
2773 Oliver. We were all here and the questions were asked and
2774 the record was made. He has gone in detail over his

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2775 dealings with each of those contributors on those subjects.
2776 . BY MR. OLIVER:
2777 . Q Did you solicit those contributors for each of the
2778 projects that Mr. Channell's organizations were engaged in
2779 in 1985 and 1986?
2780 . A I solicited some contributors for some projects and
2781 some for others.
2782 . Q Could you distinguish for me which ones you
2783 solicited for which projects and which ones for other
2784 projects?
2785 . MS. MORRISON: I'm going to object to that
2786 question. It's overly broad. Some of the projects have no
2787 relevance to this committee's work. He has answered the
2788 question as to who was solicited for military equipment, Mr.
2789 Oliver.
2790 . BY MR. OLIVER:
2791 . Q Could you tell me which of those people were
2792 solicited for ads that related to Congressman Barnes?
2793 . MS. MORRISON: Objection; relevance.
2794 . BY MR. OLIVER:
2795 . Q During the Central American freedom program in
2796 1986, in which television ads prepared by the Goodman Agency
2797 were run in March and April of 1986, were those ads designed
2798 to influence the vote in the Congress on freedom fighter
2799 aid?

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2800 . A The Central American freedom program? No, sir,
2801 those ads were designed, to my knowledge, to discuss this
2802 issue with the American public using the medium of
2803 television.

2804 . Q Were they run in specific congressional districts?

2805 . A Well, I mean if you put them on in Texas somewhere,
2806 that is going to be a specific congressional district. You
2807 can't help that.

2808 . Q Were you aware that they were designed to be run in
2809 specific congressional districts?

2810 . A I was told they were being run in specific media
2811 markets.

2812 . Q Did those media markets have any relationship to
2813 congressional districts?

2814 . A I was told that they were media markets and was not
2815 told of any specific congressional district parallels.

2816 . Q You were not aware that those media markets
2817 corresponded to congressional districts of congressmen who
2818 were targeted by Mr. Miller or Mr. Channell?

2819 . A No, sir, not of congressmen, as you phrased this,
2820 who were targeted.

2821 . Q Were the ads that were run in the Washington area
2822 by your organizations prior to the vote which was to take
2823 place in the spring of 1986, did those ads to your
2824 recollection include Mike Barnes' name?

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2825 . A Could you be more specific about which organization
2826 you are talking about?

2827 . Q Were the ads that were run as part of the Central
2828 American freedom program in the Washington, D.C., media
2829 market--did those ads include Mike Barnes' name?

2830 . A I remember an ad mentioning Congressman Barnes'
2831 name, but I don't remember when it ran, because, as I have
2832 stated earlier, we ran so many during this two-year period.

2833 . Q Could the ads that were run using Mike Barnes' name
2834 have been a result of this Ollie solicitation note that we
2835 were discussing a moment ago, document 269037?

2836 . A Well, I thought we had established the fact that we
2837 thought this dealt with the Maryland independent
2838 expenditure, and I still think that, and that is my genuine
2839 belief about what these notes pertain to.

2840 . Q Was the Maryland independent expenditure designed
2841 to get Barnes?

2842 . MS. MORRISON: Objection to the question on the
2843 same basis.

2844 . MR. OLIVER: The document in Mr. Smith's
2845 handwriting says "'Programmed to get Barnes.'" He just
2846 indicated he thought this document related to the
2847 independent expenditures in Maryland. I think the question
2848 is obviously relevant.

2849 . MS. MORRISON: Not to the mission of this

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2850 committee. He has answered questions that, to his
2851 knowledge, has nothing to do with it with some of the
2852 inferences that might be drawn from the face of the document
2853 dealing with the White House. To the extent that the
2854 independent expenditure had to do with an organization that
2855 did not do anything on Nicaraguan issues, and on the basis
2856 of the objections earlier raised to detailed exploration
2857 about Mr. Barnes or anybody else who may have been
2858 independently discussed in connection with that or other
2859 unrelated organizations' political activities, I object to
2860 the question.

2861 MR. OLIVER: Counsel, the witness has testified
2862 that this is his handwriting.

2863 MS. MORRISON: He has lots of handwriting, lots of
2864 places that don't have anything to do with the mission of
2865 this committee.

2866 MR. OLIVER: We have already established his
2867 handwriting. The top line says "'Ollie solicitation.'"

2868 BY MR. OLIVER:

2869 Q Mr. Smith, does Ollie in that line refer to Oliver
2870 North?

2871 A It's likely that it does.

2872 Q On the third line, there are the words, "'Indict
2873 Ollie.'" Is it your recollection that that also referred to
2874 Oliver North?

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2875 RPTS MCGINN

2876 DCMN QUINTERO

2877 . A Yes.

2878 . Q Why did Mr. Channel^L tell you someone wanted to

2879 indict Oliver North?

2880 . MS. MORRISON: He's not going to speculate about

2881 what was in Mr. Channel^L's mind at the time he had this

2882 conversation.

2883 . BY MR. OLIVER:

2884 . Q Did Mr. Channel^L tell you someone wanted to indict

2885 Oliver North?

2886 . A Mr. Oliver, since these are short notes taken during

2887 a phone conversation, it's hard for me to remember

2888 specifically about what Mr. Channel^L was talking about, even

2889 with the entire thing.

2890 For example, I told you earlier I have no idea what "own

2891 foundation" means. It was, obviously, part of this.

2892 . Q Do you remember whether or not Mr. Channel^L told you

2893 that someone wanted to indict Oliver North?

2894 . A I recall a conversation which Mr. Channel^L had with

2895 me at one point, and I have no idea when it was, about there

2896 were Members of Congress who were concerned with trying to

2897 oust Oliver North out of the National Security Council. I'm

2898 not sure if "indict" was the word.

2899 . Q Did he tell you why they were trying to oust Colonel

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2900 North?

2901 . A It is my recollection that they were upset, the
2902 Members of Congress, or whoever this was, was upset with
2903 Colonel North's activities on behalf of the supporting
2904 President Reagan's Freedom Fighter efforts.

2905 . Q Which activities are you referring to?

2906 . MS. MORRISON: Did you have an understanding of
2907 specific activities?

2908 . THE WITNESS: No.

2909 . BY MR. OLIVER: Which activities were you referring
2910 to?

2911 . MS. MORRISON: He just said he didn't--

2912 . MR. OLIVER: He used the phrase "'Colonel North's
2913 activities.'" I'm asking what Colonel North activities he
2914 was referring to.

2915 . MS. MORRISON: He just said he didn't know which
2916 specific activities these Congressmen had apparently
2917 targeted Mr. North for having engaged in.

2918 . BY MR. OLIVER:

2919 . Q Why did you just use the phrase "'Colonel North's
2920 activities'"?

2921 . A Mr. Oliver, what I was referring to is that I had a
2922 recollection some of these Congressmen were upset that
2923 Colonel North had been traveling to Central America, and
2924 they were upset with this. They didn't think he should be

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2925 going down there, and I'm not sure why they thought that.

2926 I don't know anything about the law that governs him going

2927 down there, but that's, I believe, what they were upset

2928 about.

2929 Q Were you aware he had been to Central America?

2930 A Mr. Channel had referred from time to time that he

2931 was--had gone down there. I don't think he knew beforehand

2932 when ever he was going.

2933 Q Do you recall whether or not there was ever

2934 discussion about a letter being written to the White House

2935 inquiring about Colonel North's activities in Central

2936 America?

2937 A Yes. I think I do remember that.

2938 Q What do you remember about it?

2939 A I believe it was a letter that Michael Barnes wrote

2940 to somebody at the White House. I don't know who it was.

2941 Q How did you learn about that letter?

2942 A I think I read it in the newspaper.

2943 Q Did that letter have any relation to the notes that

2944 are made on this page that we have been discussing?

2945 A Not to my recollection.

2946 Q Do you remember whether or not Congressman Barnes

2947 was a candidate at the time that that letter was written?

2948 A Since I don't remember when the letter was written,

2949 I don't remember if he had announced whether he was running

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2950 for reelection, or not or running for Senate, which I guess
 2951 is what it would have been if he had been a candidate.
 2952 . Q You have written on this page on the fifth line,
 2953 "can be beaten." Did Mr. Channel tell you Mr. Barnes
 2954 could be beaten?
 2955 . A I don't remember specifically what the context of
 2956 that was, since it's just, as I said, short notes.
 2957 . Q When you refer to that, in that document to "your
 2958 5000 would help," you have testified earlier that that was
 2959 probably the pitch that you were going to make to potential
 2960 contributors for this solicitation; is that correct?
 2961 . A That could have been some of the things that I would
 2962 have said, however, it would not have been the same
 2963 necessarily.
 2964 . Q Do you recall talking to any contributors about this
 2965 particular campaign?
 2966 . A You mean just about doing the independent
 2967 expenditure?
 2968 . Q I'm talking about the Barnes campaign. Then it
 2969 says, "indict Ollie."
 2970 Further down it says "your 5000 would help a great
 2971 deal." Two lines later it says, "program to get Barnes."
 2972 . MS. MORRISON: He has said in earlier testimony, Mr.
 2973 Oliver, that this is a document he believes is related to
 2974 independent expenditure made by ¹⁴ TAC.

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2975 Reading the document to him is probably not going to
 2976 change that. Now, if you want to rephrase the question.
 2977 MR. OLIVER: I'm asking him whether or not he
 2978 remembers soliciting contributions from any contributors
 2979 where you used the phrase that is on this page, "your \$000
 2980 would help a great deal," related to this campaign that is
 2981 referred to on this page?

2982 MS. MORRISON: There, again, I would object on the
 2983 basis of relevance, Mr. Oliver. It's an independent
 2984 expenditure campaign, as best he recalls, having to do with
 2985 an organization that was not involved in Nicaraguan issues.

2986 MR. OLIVER: Counsel, this particular piece of paper
 2987 has "Ollie solicitation, indict Ollie, Barnes campaign,
 2988 want to indict those who are engaging in secret activities"
 2989 all over it, and if that doesn't relate to Nicaragua, I
 2990 don't know what does.

2991 MS. MORRISON: Maybe you don't know what does, Mr.
 2992 Oliver--

2993 MR. OLIVER: I think I probably do.

2994 MS. MORRISON: Those of us who were here earlier and
 2995 listened carefully to the questions and answers given,
 2996 recognize the record clearly reflects whether or not this
 2997 document has anything to do with the mission of this
 2998 committee.

2999 Mr. Smith was asked questions and allowed to answer an

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3000 adequate number of questions to determine whether or not
 3001 this document, to his knowledge, had anything to do with
 3002 dealings with the White House, dealings with Ollie North, or
 3003 anything directly related to those organizations supporting
 3004 Nicaraguan and ~~freedom~~ fighter issues.

3005 Now, to the extent that this is an independent expenditure
 3006 campaign in which he took notes dictated by Mr. Channel^L from
 3007 an organization that didn't have any activities in the
 3008 ~~freedom~~ fighter aid movement, it does not have any relevance
 3009 to the matters before the committee. I'll have to direct
 3010 him not to answer, if I have to.

3011 BY MR. OLIVER:

3012 Q Are you sure that this document resulted from notes
 3013 that were taken from a telephone conversation with Mr.
 3014 Channel^L?

3015 A No, sir, I am not absolutely sure, but in trying to
 3016 give my best testimony, it would seem that that's what it
 3017 was and that's why I have testified as such.

3018 Q What was the relationship of this independent
 3019 expenditure to the Barnes campaign?

3020 MS. MORRISON: Objection.

3021 Same basis.

3022 MR. OLIVER: He's indicated that this note refers to
 3023 an independent expenditure, and it says on the face of it in
 3024 his handwriting "Barnes campaign." I'm asking him what

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3025 the relationship of the independent expenditure was to the
3026 Barnes campaign.

3027 MS. MORRISON: Let me try again Mr. Oliver. There
3028 were activities engaged in by some of Mr. Channel's
3029 organization, including ~~ATAC~~^{ATAC}, that had to do specifically
3030 with political campaigns, and did not deal specifically with
3031 the Nicaraguan issue.

3032 The fact you make a nexus between some of those and the
3033 particular candidate, and that particular candidate's
3034 involvement in the Nicaraguan issues is something that you
3035 are willing to draw and you apparently are bound and
3036 determined to pursue.

3037 In our view, it is not relevant to the mission of the
3038 committees. He has answered sufficient questions about this
3039 particular document to determine that it was not related to
3040 the other Nicaraguan and Freedom Fighter aid support that
3041 the organizations tried to provide, and subsequently, we
3042 find no relevance, and I will continue to prevent the
3043 witness from answering, if I must.

3044 MR. OLIVER: Counsel, is it your contention Mike
3045 Barnes has no relevance to the mandate of this committee?

3046 MS. MORRISON: It is my contention, Mr. Oliver, that
3047 campaign-related issues that are directed at a single
3048 candidate are not the mission of this committee. This
3049 committee is here on a broad purpose, not to take on

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3050 | particular candidate's specific political--

3051 | . MR. OLIVER: Mike Barnes was the chairman of the

3052 | subcommittee.

3053 | . MS. MORRISON: We understand who Mike Barnes was.

3054 | . MR. OLIVER: Is it your contention he is not

3055 | relevant to the investigation of this committee?

3056 | Is that why you are directing your witness not to answer?

3057 | . MS. MORRISON: In the context of this particular

3058 | document, and the context of the particular organization of

3059 | the Channel^h group that was involved, and the activity that

3060 | has been described by this witness, yes.

3061 | . BY MR. OLIVER:

3062 | . Q A few moments ago, Mr. Smith, you indicated that

3063 | several Congressmen were upset about Colonel North's

3064 | activities in Central America; is that correct?

3065 | . A Yes.

3066 | . Q You also indicated you believed one of those

3067 | Congressmen was Congressman Barnes; is that correct?

3068 | . A Yes.

3069 | . Q You also indicated it was a letter these Congressmen

3070 | had written inquiring about, or you had heard of a letter,

3071 | or read in the newspaper about a letter from these

3072 | Congressmen inquiring about Colonel North's activities in

3073 | Central America; is that correct?

3074 | . A I didn't know exactly who it was from, which one or

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3075 several Congressmen.

3076 . Q It was your understanding that Mike Barnes was one
3077 of the principal opponents of aid to the Freedom Fighters in
3078 Central America; is that correct?

3079 . MS. MORRISON: Objection.

3080 Calls for the witness to conclude for his opinion
3081 matter that's not relevant.

3082 . MR. OLIVER: Counsel, earlier the witness stated
3083 that everyone who lived in Washington or even who was in
3084 Washington knew that Mr. Barnes was an opponent of the
3085 Freedom Fighters.

3086 . MS. MORRISON: Another one of the many reasons why
3087 it would not be a subject relevant to this committee's
3088 mandate.

3089 . MR. OLIVER: I believe this committee's mandate is
3090 to try to determine how assistance was given to the
3091 resistance in Nicaragua, to determine whether or not that
3092 assistance was legal, illegal, within the law to determine
3093 what happened.

3094 . MS. MORRISON: If we get to some of those questions
3095 instead of the only ones we seem to be focusing on right
3096 now, which are Mike Barnes, intensive, perhaps we can answer
3097 some of them.

3098 . MR. OLIVER: Counsel, that seems to be because you
3099 don't seem to be willing to allow questions about the

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3100 chairman of the subcommittee that dealt primarily with aid
3101 to Nicaragua in 1986.

3102 . MS. MORRISON: No, Mr. Oliver. I'm not prepared to
3103 have political axes ground here off the backs of my clients
3104 in connection with matters not relevant to the mandate of
3105 this committee.

3106 . MR. OLIVER: I'm sorry, but that has absolutely no
3107 relevance to this committee, and there are no political axes
3108 being ground here, Counsel.

3109 I would hope I would withdraw that statement. It's
3110 improper and irrelevant.

3111 . MS. MORRISON: I am relieved to hear your statement,
3112 Mr. Oliver.

3113 Can we move to a subject that is relevant?

3114 . MR. OLIVER: I'm on a subject that is relevant.

3115 . BY MR. OLIVER:

3116 . Q Mr. Smith, I would like to ask you once again, were
3117 the organizations that you worked for in 1986 engaged in
3118 attempting to influence congressional support for aid to the
3119 Freedom Fighters in Nicaragua?

3120 . A That would have been the hopeful results of the work
3121 through Sentinel. And if the educational efforts by the
3122 National Endowment caused private citizens to think about
3123 this issue and then form their own opinion, then it stands
3124 to reason they might call their Congressman or Senator and

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3125 say, hey, I want you to vote this way or that way on this
 3126 issue, and that conceivably could influence congressional
 3127 opinion.

3128 . Q Which employees at the organization of which Mr.
 3129 Channel was the head, or the president, or the chairman,
 3130 which other employees were engaged in soliciting funds for
 3131 the Central American Freedom program?

3132 . A Mr. Littledale--no. Wait a minute--yes, Mr.
 3133 Littledale, and Ms. ^{McLaughlin} ~~McLaughlin~~ and, I believe, that's it.
 3134 Perhaps, Mr. Fred Freed.

3135 I'm trying to remember when various staff people came on
 3136 board with relation to what was going on at the time they
 3137 came on board. I think that is about it.

3138 . Q Did the Central American Freedom program include in
 3139 addition to television ads and lobbying, as I believe you
 3140 have testified earlier, included any other methods of public
 3141 relations activities that were designed to influence the
 3142 vote in the Congress?

3143 . A Not to my knowledge.
 3144 If you could be more specific.

3145 . Q Do you know Edie Frazier?

3146 . A I know who she is. She is with Minor, Frazier and
 3147 Gabriel. It's a ^{PR} ~~PR~~ firm.

3148 . Q What was their relationship to Central American
 3149 Freedom program?

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3150 . A I was not aware that she had one in the Central
3151 American Freedom program.

3152 . Q Do you know whether or not she was a subcontractor
3153 to one of the Channel ~~organizations~~ during that period of
3154 time in early 1986, when the vote was pending in the
3155 Congress?

3156 . A You mean her firm, or herself, or her personally?

3157 . Q Either one.

3158 . A No. This is totally ~~new~~ to me.

3159 I mean if it was, and it was, you know, in some way that
3160 it wasn't apparent, maybe. But the only ^{thing} ~~only~~ Edie Frankler did
3161 was she was involved in the Nicaraguan Refugee Fund in the
3162 very beginning in 1985, was my understanding.

3163 . Q Were you aware that Bob and Adam Goodman were
3164 involved in the Central American Freedom program?

3165 . A They were involved in producing the television ads.

3166 . Q For the Central American Freedom program?

3167 . A Yes, sir.

3168 . Q Did you work with Bob and Adam Goodman on the
3169 Central American Freedom program?

3170 . A No, sir, I did not.

3171 . Q You indicated earlier that you had met with Adam
3172 Goodman in relation to some billing discrepancies that were
3173 pointed out in late 1986, I believe; is that correct?

3174 . A Yes.

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3175 . Q Why were you meeting with Adam Goodman?

3176 . A It was probably the whim of the moment with Spitz.

3177 He wanted someone who was trying and straighten this out.

3178 It was a very confusing problem.

3179 No one seemed to know how to get to the center of it and

3180 figure out what the billing problem was, and he suggested

3181 that I maybe try and figure it out.

3182 . Q Had you worked with him previously on billing?

3183 . A No, sir.

3184 He might have asked me since I had been one of his staff

3185 members who had been with him the longest and perhaps he

3186 trusted me to try and go work it out.

3187 . Q Do you know Dan Kuykendall?

3188 . A Yes, sir.

3189 . Q How do you know Dan Kuykendall?

3190 . A Well, Dan Kuykendall is one of the finest persons I

3191 have met since moving to Washington, and he is a former

3192 Congressman who now is a lobbyist with his own lobbying

3193 firm.

3194 . Q Does he do anything other than lobby professionally,

3195 that you know of?

3196 . A Well, he hires clients, and at one time he was

3197 working with Mr. Channel's organization.

3198 . Q You say he hires clients?

3199 . A He hires himself out.

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3200 . Q To lobby?

3201 . A It is my understanding, to get things done in
3202 Washington.

3203 Excuse me one moment please.

3204 . Q We were talking about Dan Kuykendall.

3205 What did Mr. Dan Kuykendall do for Mr. Channel^L in relation
3206 to the Central American freedom program, if anything, if you
3207 know?

3208 . A At that time I believe Mr. Kuykendall was--whether it
3209 was employed or not, I don't know, but connected directly
3210 with Mr. Miller and IBC, and was sort of a subcontractor of
3211 IBC, and as a result, I'm not aware of what specifically he
3212 was doing. I think that he was probably one thing he did
3213 was an information gather^{er} about opinion on the Hill regarding
3214 certain issues.

3215 But other than that, I'm not familiar in any substantive
3216 way with his specific duties.

3217 . Q What kind of work did you do with Mr. Kuykendall?

3218 . A I engaged in no substantive work with him. I just
3219 talked to him on the phone from time to time, when Spitz
3220 wasn't around and he as trying to find him.

3221 But when it came to the--any strategy that went on between
3222 him and the organization run by Spitz^{it} Channel, Spitz handled
3223 that.

3224 . Q Was your relationship with him one of--a social one

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3225 or a professional one?

3226 . A Professional.

3227 . Q In what sense?

3228 . A In that I know him as a result of my work and not

3229 outside of work in a social context.

3230 . Q Was he involved in fund raising for any of Mr.

3231 Channel's^h organizations?

3232 . A To my knowledge, he never solicited funds for any of

3233 Mr. Channel's^h organizations.

3234 . Q Your primary responsibility was fund raising?

3235 . A Yes.

3236 . Q What was your professional relationship with Mr.

3237 Kuykendall if it was not fund raising?

3238 . MS. MORRISON: Mr. Oliver, I think you are trying to

3239 play a semantic game with the witness. He has said he

3240 considered the relationship professional and not social,

3241 because he knew Mr. Kuykendall only from his work and not in

3242 social context.

3243 . He has described to you he did no substantive work with

3244 Mr. Kuykendall but talked to him from time to time when Mr.

3245 Kuykendall would call looking for Mr. Channel^L.

3246 . MR. OLIVER: Counsel, he's testified earlier that

3247 Mr. Kuykendall was one of the finest persons that he had met

3248 since coming to Washington. He also testified his

3249 relationship with him was professional.

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3250 I'm just trying to determine what the professional
3251 relationship with Mr. Kuykendall was.

3252 THE WITNESS: In reference to what I said about my
3253 high feelings of regard for Mr. Kuykendall, that comes from
3254 having been around him in a professional setting when he
3255 would be over at the office meeting with Spitz, or he
3256 perhaps might be at a meeting that I was at ~~at~~ a luncheon,
3257 or something in which I was there attending also, and during
3258 this time I just have come to know him, his background, what
3259 he stands for, which is very much what I stand for, and I
3260 regard him as a political fighter, and I admire that very
3261 much. That's why I said that I admired him.

3262 In my daily work on a day-to-day basis at the National
3263 Endowment, or the American Conservative Trust, or any
3264 organization, I did not have an ongoing set of
3265 responsibilities that required me to work with Mr.
3266 Kuykendall to any specific project.

3267 BY MR. OLIVER:

3268 Q When did you begin to work with Mr. Kuykendall in
3269 such a way that you could determine that he was a political
3270 fighter.

3271 A I guess I met him originally through--came to know
3272 about him through his relationship with Rich Miller, and that
3273 would have been--I don't think that I--well, probably late '85
3274 or early '86.

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3275 . Q You testified earlier that you ended your employment
3276 with Mr. Channel in May of 1987; is that correct?

3277 . A Yes, sir.

3278 . Q In 1987 were you raising funds for any projects that
3279 were related to Nicaragua?

3280 . A In 1987, Nicaragua?

3281 I believe there was a little bit of fund raising that went
3282 on in February with some efforts to try and do some things
3283 through Sentinel.

3284 . Q What things were you going to try to do through
3285 Sentinel?

3286 . A I believe it was going to be some newspaper ads on
3287 the Freedom Fighter vote. I believe that was Sentinel. I'm
3288 not sure.

3289 . Q In 1987?

3290 . A Yes, sir.

3291 . Q Did you raise any funds for any activities that
3292 related in any way to this investigation?

3293 . A That related to this investigation?

3294 Could you say what you mean a little better?

3295 . Q Did you raise any funds for the Oliver North Defense
3296 Fund?

3297 . A Oh, yes, I did.

3298 . Q And what did you do with those funds?

3299 . A Well, they were ultimately returned to the

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3300 contributors.

3301 . Q Did you raise any funds for any lobbying activities
3302 related to this investigation?

3303 . A Not to my recollection.

3304 . Q I have no further questions.

3305 . MR. FRYMAN: No further questions.

3306 . BY MR. BUCK:

3307 . Q Mr. Smith, I just have a few questions.

3308 I wanted to clarify some of the previous testimony without
3309 trying to beat any horses to death.

3310 Earlier in your testimony I believe a mail airplane was
3311 described as a transport plane. I don't know whether Mr:
3312 Fryman or yourself characterized it that way.

3313 What is your exposure to a mail airplane? Have you
3314 actually seen a mail airplane?

3315 . A No.

3316 . Q Have you seen pictures of a mail airplane?

3317 . A Yes.

3318 . Q How many people can sit in a mail airplane, if you
3319 know, from the pictures you have seen?

3320 . A It's my recollection that it can seat as many as you
3321 put the seats in there, like maybe 8 or 10. If you take the
3322 seats out then that's what you use that area as a cargo bay.

3323 . Q Okay. I believe you testified earlier also that
3324 Inman Brandon gave a contribution to you for Mr. Channel's

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3325 organization?

3326 A You are referring to the January '86 solicitation

3327 when he gave \$100,000?

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3328 RPTS CANTOR

3329 DCMN MILTON

3330 [2:15]

3331

3332 . Q Correct.

3333 . A Well, yes, it was a solicitation in which Mr.

3334 Channell solicited the grant.

3335 . Q It was \$100,000 and it was for a specific purpose?

3336 . A To my recollection, it was for missiles.

3337 . Q What does Mr. Brandon do for a living?

3338 . A He is a retired attorney.

3339 . Q But he was an attorney at one time?

3340 . A Yes, sir.

3341 . Q Do you know how long he practiced?

3342 . A A very long time. He is 81, I believe, now, and

3343 actually he is not retired. He probably has been a lawyer

3344 50 years.

3345 . Q Do you know anything about the law firm he is with?

3346 Is it a large law firm?

3347 . A Yes, sir.

3348 . Q Prestigious law firm?

3349 . A I think so.

3350 . Q In Atlanta, Georgia, is that correct?

3351 . A Yes, sir.

3352 . Q Did he ever raise any questions about the tax

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3353 deductibility of the donation that he was giving? Did it
3354 concern him that he was giving money for weapons and did he
3355 raise any questions about the tax deductibility for
3356 contribution for weapons?

3357 . A It did not seem to be a matter of great concern to
3358 him.

3359 . Q When did you become aware that contributors could
3360 meet with the President?

3361 . A That would have been after Mr. Fischer was retained
3362 to assist in matters in that area, and that would have
3363 been--I'm sorry, I can't remember when. Sometime in the past
3364 two years. What is your name again?

3365 . Q My name is Ken.

3366 . Who would make a decision whether a contributor
3367 would meet with the President or not?

3368 . A Mr. Channell.

3369 . Q Do you know what the basis for that decision was,
3370 or if there was more than one?

3371 . A It would be a contributor who was very committed to
3372 whatever project we might be working on, in most cases,
3373 Nicaragua, and usually someone who had been financially
3374 active in supporting that cause.

3375 . Q Was it strictly a dollar amount that determined
3376 whether someone could meet with the President or not?

3377 . A I have heard, and I honestly don't know where, that

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3378 there was some speculation that in order for one of our
3379 contributors to meet with the President, they had to give a
3380 certain dollar amount, and I never knew that to be a rule,
3381 and I never knew what the dollar amount was.

3382 Q But to your belief, there were other factors than
3383 just money that went into determining whether somebody met
3384 with the President?

3385 A Yes. It would have to be someone who was--I mean,
3386 you know, someone who was politically active and who would
3387 appreciate that opportunity, given the contacts that they
3388 were working on a project that the President very much
3389 believed in himself.

3390 Q Was the Antiterrorism American Committee involved
3391 in fund raising for the freedom fighters?

3392 A No, sir, not to my recollection.

3393 Q Did Colonel North have any direct involvement in
3394 the Antiterrorism American Committee?

3395 A No, sir, never, not to my recollection.

3396 Q Are you aware of any money that was used by the
3397 Antiterrorism American Committee that was received from a
3398 diversion of profits from the Iran arms sales?

3399 A Absolutely not.

3400 [Whereupon, at 2:20 p.m., the deposition was
3401 adjourned.]

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TRANSCRIPT OF PROCEEDINGS

SELECT COMMITTEE TO INVESTIGATE COVERT
ARMY TRANSACTIONS WITH IRAN
U. S. HOUSE OF REPRESENTATIVES
AND
SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION
UNITED STATES SENATE

Deposition of ABRAHAM D. SOFER

Partially Declassified/Released on 24 Jan 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

Unless marked
①, all
changes are
* ~~not~~
nonsubstantive
edits to
transcript

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Pages 1 thru 93

Washington, D. C.
June 13, 1987

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SELECT COMMITTEE TO INVESTIGATE COVERT

ARMS TRANSACTIONS WITH IRAN

U.S. HOUSE OF REPRESENTATIVES

and

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE

TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

Washington, D.C.

Thursday, June 18, 1987

The deposition of ABRAHAM D. SOFAER, called for examination in the above-entitled matter, pursuant to notice, in the offices of the Senate Select Committee, Room 901, Hart Senate Office Building, Washington, D.C., convened at 3:06 p.m., before Pamela Briggie, a notary public in and for the District of Columbia, when were present on behalf of the parties:

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2

APPEARANCES:

On Behalf of the Select Committee on Secret Military
Assistance to Iran and Nicaraguan Opposition of the
United States Senate:

MARK BELNICK
Executive Assistant to the Chief Counsel
-and-
TERRY SMILJANICH
Associate Counsel
Room 901
Hart Senate Office Building
Washington, D.C.

On Behalf of the Select Committee to Investigate Arms
Transactions with Iran of the U.S. House of
Representatives:

TIMOTHY E. TRAYLOR
Special Agent
Federal Bureau of Investigation
1900 Half Street, S.W.
Washington, D.C.

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WITNESS

EXAMINATION

ABRAHAM D. SOFAER

By Mr. Belnick

4

EXHIBITS

NUMBER

FOR IDENTIFICATION

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Sofaer 2
Sofaer 3
Sofaer 4
Sofaer 5
Sofaer 6

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PROCEEDINGS

Whereupon,

ABRAHAM D. SOFAER

was called for examination by counsel, and having been first
duly sworn by the notary public, was examined and testified
as follows:

EXAMINATION

BY MR. BELNICK:

Q Good afternoon, Judge. By way of background,
you've had a distinguished career and I just want to go over
some of the highlights.

Prior to becoming legal adviser you've been a
prosecutor?

A Yes, I was a federal prosecutor from 1967 to 1969.

Q And subsequent to that?

A I was a law professor at the Columbia Law School
for 10 years, '69 to '79.

Q And then after that you became a federal judge in
the Southern District of New York?

A That's correct.

Q And served on the bench until?

A The district court until 1985.

Q And you've been the legal adviser at the U.S. State
Department from that time until now?

A Correct.

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3

7 | A Yes.

9 A I had heard about it. I don't know anything about
0 its operations.

Q Did you know who the members of that RIG were?

A No.

Q Was the legal advisor's office represented on that
RIG?

A No.

Q Was there a desire on the part of the legal adviser's office to be represented on that RIG?

A Yes.

Q Did you take actions to achieve such a result?

A I didn't take any actions. I asked my principal deputy, Michael Kozak, who is a long time associate of Jim Michael, who had become the principal deputy in ARA, to take up with ARA the question of getting legal representation on the RIG, and generally getting more legal input into the Central American policy.

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1 Q And approximately when did you ask Mr. Kozak to
2 pursue that?

3 A I believe I started asking him and complaining
4 talking to him about the subject within months of my
5 arrival in the State Department, late '85.

6 Q This would have been sometime in the fall?

7 A In the fall of '85.

8 Q By that point Elliot Abrams was ensconced as
9 Assistant Secretary for ARA?

10 A Yes.

11 Q Did Mr. Kozak report back to you on the results of
12 his inquiries?

13 A Yes, he said that it was unacceptable.

14 Q What was unacceptable?

15 A To have a member of the legal adviser's office to
16 be a part of the RIG.

17 Q Did he tell you--did Mr. Kozak tell you who had
18 advised him that it was unacceptable?

19 A I don't recall.

20 Q Did you pursue it thereafter?

21 A No, I didn't. I, first of all, assumed that if
22 there were any legal issues they would be brought to me. And
23 Kozak, of course, told me that that would be the case, that
24 we were given that assurance.

And furthermore, while I wasn't told whether Jim

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1 Michael was involved in Central American issues or not
2 involved in Central American issues, I assumed that his
3 presence in ARA was a responsible factor in not having to
4 have other lawyers participate, he being far more experienced
5 that either Kozak or me.

6 I did not regard him as a substitute for the legal
7 advisor's office.

8 Q You still would have preferred to have your office
9 represented?

10 A Absolutely. I frequently told Kozak that I thought
11 that Jim Michael's presence in ARA was a liability for us,
12 the legal advisor's office, because it could mean potentially
13 that people would use Michael for legal advice instead of us.

14 Q Did you ever discuss the RIG and your desire for
15 representation on it directly with Secretary Abrams?

16 A No.

17 Q Do you know who the members of the RIG were?

18 A Not at that time. After October 1st, 1986 I did.

19 Q And how did you learn--after October 1st, 1986
20 there was a change in the nature of the RIG?

21 A There was a change in the legislation that led me
22 to renew my interest in having a representative of the legal
23 advisor's office be present at policymaking sessions about
24 Central America.

Q This was once Congress restored the aid and came in

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1 with \$100 million, that package?

2 A It wasn't that. It was the fact that the legis-
3 lation for the first time ~~_____~~ ^{expressly stated made} the Secretary of
4 State ~~_____~~ ^{responsible for} Central American policy.

5 Q And after that you had a discussion with Abrams
6 about legal being represented on the RIG?

7 A Yes.

8 Q And he agreed to it?

9 A Yes.

10 Q And you are represented on that RIG now?

11 A Yes, as far as I know, yes. I think Olson sits in
12 or Kozak.

13 Q Let me turn now to the subject of Iran. Prior to
14 the disclosures of an American involvement with arms to Iran,
15 the disclosures of November 1986, had you been made aware of
16 what we now call the Iran initiative?

17 A Prior to November 1st, 1986, I was unaware.

18 Q You had never received a briefing from the Secretary
19 or any of his advisors on that program?

20 A On no occasion.

21 Q What was your first official involvement in matters
22 pertaining to the Iran initiative subsequent to November 1,
23 1986? And if you want to use your notes to refresh your
24 recollection, that's fine.

25 A It was on November 18th, 1986 when a conference was

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1 called by the White House counsel related to the Iran arms
2 issue.

3 Q Who was at that conference, do you recall?

4 A Wallison was there; ~~who was White House counsel;~~
5 Cooper; Thompson, Paul Thompson of the NSC; Dave Doherty, CIA
6 general counsel; and a couple of other people may have been
7 there. But those people were definitely all there.

8 Q And this meeting was at the White House?

9 A Yes.

10 Q And by whom had the meeting been called?

11 A I seem to recall that it was Wallison.

12 Q Tell us what you recall having transpired at the
13 meeting. And you're free to refer to your notes if that
14 helps.

15 A Thank you. Wallison said that we needed the facts
16 relating to the arms sales to Iran. By that time it was
17 clear that such sales had occurred. Initially, [REDACTED]
18 ^{were} denials published in the press and even I was doubtful that
19 it was true. But by then it was quite clear that it had
20 occurred. [REDACTED] There was going to be a press conference ^{with} the
21 President. And Wallison, as his lawyer, no doubt wanted to
22 know more about it. [REDACTED] One of the major lessons I learned
23 at that meeting was that he knew as little as I did.

24 At that meeting I found that Cooper--

25 Q Now that's Chuck Cooper from the Justice Department?

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1 A Yes, Chuck Cooper who is Assistant Attorney General
2 in the Department of Justice. And Paul Thompson of the NSC,
3 and to an extent, Doherty, although he didn't say as much,
4 they knew a lot more than Wallison did.

5 Cooper's knowledge, however, seemed to be related
6 to the legal issues. He explained that there was a finding
7 adopted on January 17 or so of--

8 Q This is Cooper now?

9 A Cooper. And that from January '86 on all activities
10 were pursuant to that finding and all arms shipped were
11 pursuant to the Economy Act. At least this is my understand-
12 ing. It may have been Thompson who said this, but I think
13 Cooper already was aware of a finding. I'm not sure.

14 Q Did Mr. Cooper say for how long he had been aware?

15 A No, he didn't.

16 Q Did you understand--did he give you the impression
17 that he had known about it all along?

18 A No.

19 Q Or that this was something he had just found out in
20 the course of--

21 A He gave me the impression that he had been assigned
22 the job of figuring out the legal issues involved. And he
23 had looked at a 1981 opinion that was written by the legal
24 advisor. Actually it was written by Jim Michael, signed off
25 by the legal advisor and sent over to Attorney General Smith

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1 who had approved it, relating to the transfer of certain arms.

2 [REDACTED]

3 Q Judge, you've said and your notes indicate that
4 Peter Wallison, then the President's counsel, said at the
5 meeting that he needed facts and that he couldn't give advice
6 without the facts, correct?

7 A Yes.

8 Q Who was ^{he} asking for the facts?

9 A He was asking Thompson essentially, and to an
10 extent, Cooper.

11 Q And what was Thompson's response?

12 A Thompson said that on that day ^{White House} ~~they~~ was going to
13 ~~brief~~ brief [REDACTED] Intelligence Committee staff on the Hill.

14 ~~We~~ We pressed him for at least as much information as he was
15 going to give to the congressional staffers and he refused.

16 Q Did he tell you why?

17 A He said that ~~Peindexter~~ ^{Peindexter} had instructed him not to
18 give out any information to anyone who didn't need to know
19 it. ~~Our~~ Our position was that, in order to advise our clients
20 on the legal issues involved, we did need to know it. And at
21 a minimum, we should be told what was going to be told to
22 staffers.

23 Q And he continued to refuse?

24 A Flatly refused, with considerable embarrassment.

25 Q But on instructions, as he put it, from Admiral

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1 Poindexter who was then the President's national security
2 advisor?

3 A Yes. He also said that--

4 Q Just so I get this straight, being a civilian.

5 Paul Thompson was then counsel to the National Security
6 Council?

7 A He was counsel to the national security advisor. I
8 don't think he had the same rank or title that Paul Stevens
9 has now.

10 Q Let me ask you. Do counsel to different depart-
11 ments, such as the National Security Council or the legal
12 advisor² himself, your position, do they have each as their
13 ultimate client the President of the United States?

14 A Absolutely.

15 Q And Peter Wallison--

16 A Particularly someone like myself who's nominated by
17 the President.

18 Q So that in addition to being the legal advisor² to
19 the Secretary of State, you're also one of the President's
20 lawyers?

21 A Yes.

22 Q And the same would be true of Thompson for that
23 matter?

24 A I would say so.

25 Q And certainly Peter Wallison directly was counsel

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1 to the President, correct?

2 A Correct.

3 Q And you're telling us that at this meeting counsel
4 to the President was asking another counsel to the President

5 [REDACTED] for facts so that he could give the
6 President advice and Thompson said, no, on orders from
7 Admiral Poindexter?

8 A Yes.

9 Q Didn't you find that unusual?

10 A Absolutely.

11 Q And disturbing?

12 A Very disturbing. He gave as his reason that the
13 lawyers who needed to work on the issue--and I gathered by
14 that he meant Doherty in the CIA and Cooper from the Depart-
15 ment of Justice--had been briefed adequately to work on the
16 issue. And that [REDACTED] those were the
17 people in charge of legality as he put it.

18 Q According to Thompson?

19 A Right. And he said that from the political point
20 of view that things seemed calm and the committees seemed to
21 be accepting the position of the White House and there was
22 really no need to get the issue more broadly briefed.

23 Q Did you make any comment in response to that
24 position?

A Well, I thought that Wallison was right and that we

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1 should get more information. But I did say that they could
2 handle it that way. They could choose to restrict access to
3 the facts to the Attorney General and his designee, and the
4 CIA director and his designee.

5 But that as a result of that, they could not look
6 to us for legal opinions at all. That [REDACTED]
7 [REDACTED] the Attorney General would then
8 bear the full role with respect to the legal issues. He
9 could not look to Department of State and legal advisor's
10 office, or to White House counsel for that matter, for legal
11 support.

12 Q Did Thompson or Cooper make any response to that as
13 you recall?

14 A His response was that people are learning--

15 Q This is who, Thompson?

16 A Thompson. That people are learning that this is an
17 intelligence operation not an arms sales as such, and they're
18 calming down.

19 Q Now your notes indicate that you asked whether the
20 usual vetting process would be followed. What did you mean
21 by that?

22 A There is a process for all findings and intelligence
23 activities that [REDACTED] before they go to
24 the Hill they come through the agency process. [REDACTED]

25 [REDACTED] Now that they were going to brief

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1 the Intelligence Committee on this, would we be briefed on
2 it, would we find out about it in the usual manner, would we
3 be involved in the process of analyzing the issues as we went
4 along? And he said he assumed that we would.

5 Q That was Thompson again?

6 A Yes.

7 Q Now you had said that Cooper, when he was giving
8 some statement of facts that he had learned, mentioned the
9 finding that the President had signed sometime in January
10 1986, correct?

11 A I believe it was Cooper.

12 Q Did Cooper mention any other finding that the
13 President signed in connection with Iran?

14 A No.

15 Q Did Thompson mention anything about findings?

16 A No.

17 Q Was there any--

18 A But Thompson knew about the finding also and he
19 mentioned ~~that~~ the same finding. He confirmed that there
20 was such a finding.

21 Q Did he mention ~~any~~ any other finding?

22 A No.

23 Q Was this the first time you had heard that there
24 was any finding relating to an Iran initiative?

A Absolutely.

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1 Q Was there any discussion at this meeting on
 2 November 18 of specific shipments? I notice on the next to
 3 the last page of your notes there seems to have been some
 4 discussion, if I'm right, about the September arms transfer.
 5 And I assume that was September '85 unless you tell me
 6 otherwise.


7 A Yes.

8 Q What was that discussion?

9 A There was a statement that the finding was in
 10 January, and there were two issues that arose. One was a
 11 post-August '86 shipment--at least one that was concluded
 12 after August '86 when a new law took effect--and its legality
 13 despite the finding. And pre-January '86 shipments of which
 14 I was told there was one which had gone via Israel in
 15 September '85.

16 Q Who said there had been that shipment?

17 A I don't recall who said it exactly, but it's quite
 18 clear it was said at that meeting. Let me see if my notes
 19 reflect that.

20 Yes, Thompson said it. It was ^a September shipment
 21 through the government of Israel and they transferred--the
 22 government of Israel transferred arms to Iran. He described
 23 it as  a transfer of arms by the government of
 24 Israel to Iran.

25 Q Did Thompson give you the impression or did he

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1 state that this was the only shipment that had taken place,
2 or only transfer of U.S. arms to Iran that had taken place
3 prior to the finding of January 1986?

4 A Yes. He didn't say so, but he didn't go into any
5 others. And it was a focus of discussion because that would
6 raise, obviously raise a very serious legal question. The
7 finding was in January, what happened before the finding?

8 Q And his answer to the question, what happened
9 before the finding was the September transfer?

10 A Well, it wasn't as much an answer to the question.
11 He was the one who mentioned the September transfer. And
12 then when the issue of our role arose, I pointed out that
13 there were real legal questions involved irrespective of what
14 he might think. And one of them was the September transfer.

15 Cooper said, for example, you see on page 3 of my
16 notes, Wallison says, without the facts what is the legal
17 analysis? How can we do this? Cooper says, we're still
18 studying it. Then I raised the question, what about the
19 September transfer?

20 And what I was saying was, you may have a good
21 explanation for the shipments after January because they
22 occur under the Intelligence Act rather than the Arms Export
23 Control Act, but what about prior to January? What's your
24 explanation for that September shipment that Thompson had
mentioned?

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1 Q And that was the shipment that he apparently
2 mentioned early in the meeting judging by your reference on
3 the first page of your notes. That there had been a September
4 ship^{ment}. The government of Israel transferred arms to Iran.
5 And then he says, finding January 17, 1986?

6 A Precisely.

7 Q So as far as you understood from what Thompson
8 said, that was the only transfer that had occurred prior to
9 the January '86 finding?

10 A Right.

11 Q And Thompson did not tell you that he knew other-
12 wise?

13 A Basically what I said--in fact on my last page you
14 can see, the last page of the notes--I said to him, you would
15 have to look to the AECA--

16 Q The Arms Export Control Act?

17 A Yes, with respect to the September '85 finding.
18 And then I asked him, did the President approve it, because
19 then it would depend upon Presidential approval under that
20 statute. And of course, then later I found out that there
21 might be an argument for an oral finding by the President.

22 In either event, whether the President had approved
23 that finding would become a major legal question.

24 Q That transfer?

25 A That transfer, right.

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1 Q Did Thompson answer whether he had approved it?

2 A No.

3 Q He didn't answer one way or the other?

4 A No, he didn't at that time.

5 Q On the last page of your notes, Judge, there's an
6 indication that Thompson said, total value about \$14 million.

7 A That's correct.

8 Q What was he saying?

9 A He was saying--it was really addressed to the Arms
10 Export Control Act issue, because I knew that the reporting
11 requirement under the Arms Export Control Act depended in
12 part upon the total value of the arms that were either
13 shipped directly or transferred by a third country.

14 Q And Thompson was telling you that the total value
15 of the arms shipped to Iran in this whole program was about
16 \$14 million?

17 A Correct.

18 Q Did he tell you anything about how the arms had
19 been priced?

20 A No.

21 Q Give you any information on that?

22 A Not at that time.

23 Q So if I understand correctly, the overall impression
24 that Commander Thompson at least tried to convey was that he
25 couldn't give much information, that he was under instructions

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1 from Admiral Poindexter not to give information, but that
2 this was really no big deal, it was under control?

3 A That's right.

4 Q Generally speaking.

5 A Yes.

6 Q When the meeting ended, did you have a conversation
7 with Mr. Wallison about what the two of you had just heard or
8 not heard?

9 A Yes. I told Wallison that I thought this was
10 extremely serious.

11 Q That what was serious?

12 A That we had not been briefed. And that they were
13 going to say things to Hill staffers that they weren't
14 telling us--shocking. And that it was particularly serious
15 from his point of view because he was the President's counsel
16 and that he should act accordingly.

17 He ~~_____~~ agreed with me, and he asked
18 Thompson to remain at the end of the meeting to talk to him.

19 Q Were you there when Wallison spoke with Thompson?

20 A No, I left the meeting.

21 Q Were you then notified that Poindexter would see
22 you later that day?

23 A That's correct.

24 Q You received a message that you and Undersecretary
25 for Political Affairs Armacost could see Poindexter, as I

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1 understand it, at 6:00 p.m. for a briefing on the Iran
2 program?

3 A That's right.

4 Q And did you and Secretary Armacost go to the west
5 wing at 6:00 p.m. on ~~June~~^{November} 18th?

6 A Yes, we did.

7 Q You met with Admiral Poindexter?

8 A Yes.

9 Q Was anyone else there?

10 A Thompson.

11 Q The four of you?

12 A Yes.

13 Q And could you recount for us what transpired at
14 that meeting? And again, please feel free to refer to your
15 notes. And I know we also have a memcon prepared by you of
16 that meeting which we can mark. But I'd like you first to go
17 through your recollection and notes of what happened.

18 A Poindexter presented a review of some of the facts
19 relating to these transfers. And he did--undoubtedly he was
20 referring to what appeared to be a chronology. ~~and~~ At one
21 point, in fact, it came out that he was referring to a
22 chronology, so I was confident that he was referring to a
23 chronology.

24 Q Did he show you that chronology?

25 A No, he did not. ~~At some point~~

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1 either I or Armacost asked whether we could see the chronology
2 and we were told we could not.

3 Q Did he say why not?

4 A He didn't say we couldn't ever see it. He conveyed
5 the impression that right now it wasn't complete, and we got
6 the sense that perhaps in due course we would be seeing it.
7 Keep in mind that this was the first briefing that I was
8 receiving, so anything that I was getting was more than I had
9 gotten before, so we were not complaining.

10 He then gave us a relatively sketchy outline of
11 what had happened. And it was not given in the chronological
12 order that is reflected in my memcon.

13 Q While we're referring to ~~the memcon~~ ^{study}, let me mark as
14 Sofaer Exhibit 1 this document.

15 [Sofaer Exhibit No. 1 was
16 marked for identification.]

17 BY MR. BELNICK:

18 Q And ask you, Judge, if this document so marked is
19 your memorandum of conversation of the November 18 meeting
20 with Armacost, Poindexter and Thompson?

21 A Yes, it is.

22 Q And this summarizes in more or less chronological
23 order what you were told by Admiral Poindexter, albeit not in
24 chronological order at that meeting?

25 A It wasn't entirely in chronological order. He

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1 jumped around, but I tried to keep it in chronological order.

2 Q Looking at this memorandum of conversation, the
3 only pre-January 1986, transfer of U.S. arms to Iran that is
4 referred to is a transfer in September 1985, numbered
5 paragraph 3 of your memcon; is that correct?

6 A That's correct.

7 Q And is that your recollection? Namely, that that
8 was the only pre-1986 transfer that Admiral Poindexter told
9 you about?

10 A Yes.

11 Q That was the same one that Commander Thompson had
12 told you about earlier in the day?

13 A Yes.

14 Q Was there any mention at this November 18 meeting
15 of the fact that there had been a transfer in November 1985?

16 A No.

17 Q Was there any mention at this meeting that there
18 had been a transfer of Hawks prior to January 1986?

19 A No.

20 Q What do you recall--

21 A Another significant thing that occurred was he
22 showed us the finding. I read the finding and Armacost read
23 the finding.

24 Q Now I want to go over that. That's what I was just
25 about to go into. Admiral Poindexter had the finding with

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- 1 him?
- 2 A Yes.
- 3 Q This meeting was in his office?
- 4 A Yes.
- 5 Q Did he have the original finding?
- 6 A The original.
- 7 Q Where did he take it out from?
- 8 A Out of his safe it looked like.
- 9 Q And it was with the blue ink?
- 10 A He might have had it on his desk already, but I
- 11 seem to recall that he asked Thompson for it and Thompson got
- 12 it and gave it to him.
- 13 Q And again if you'd bear with me, do you recall
- 14 where Thompson got it from?
- 15 A I don't.
- 16 Q But your recollection is that Poindexter said to
- 17 Thompson, I want the finding and Thompson produced it for him?
- 18 A That's my vague recollection, yes.
- 19 Q And then it was displayed to you and Secretary
- 20 Armacost?
- 21 A Right. And it was the original. That I recall
- 22 clearly.
- 23 Q Do you remember the date?
- 24 A January 17th.
- 25 Q Were you shown any--January 17th, 1986?

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1 A Yes.

2 Q Were you shown any other finding?

3 A No.

4 Q Were you told whether there had been any other
5 finding?

6 A No.

7 Q Was there any discussion with you of any proposed
8 or actual finding that had been submitted to the President in
9 1985?

10 A No. There was some discussion about whether the
11 President had approved the September 1985 shipment.

12 Q And what was said about that?

13 [Off the record.]

14 THE WITNESS: [REDACTED] We had a
15 discussion about what [REDACTED] McFarlane ^{said} and what [REDACTED] the
16 President ^{knew} about this policy. And McFarlane said he
17 expressed to the Israelis--this is what Poindexter was
18 telling us ^{he} made clear that the U.S. would not trade arms
19 for hostages, refused expressly to sanction the shipment, the
20 first shipment. ^{McFarlane} Then [REDACTED] said, he had a strong interest in
21 establishing a channel to Iran.

22 And in response to a question from Kimche, he
23 opined that the U.S. government would not stop selling arms
24 to Israel if a transfer occurred. ^{Then} Poindexter said
25 that he, McFarlane, apparently informed the President of this

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1 action.

2 BY MR. BELNICK:

3 Q And as best you recall, that's what was said at
4 that meeting concerning pre-January Presidential approval of
5 the transfer?

6 A Right. And from that I would infer that the
7 President had approved of the policy that McFarlane had
8 articulated. That is, we're not approving of any of your
9 specific arms sales, but if you do it, we're not going to cut
10 you off; Congress is not going to cut you off.

11 Now there was also mention of Hawks. You'll see
12 that in my notes. But ~~which~~⁹, if anything, it indicated that
13 ~~there were no missiles~~^{are involved.} It was parts, 240
14 line items, spares, et cetera, for Hawk air defense batteries,
15 ~~which~~^{which} Poindexter said, ~~which~~^{which} U.S. experts believe will
16 prove useless.

17 Q But no mention that actual Hawk missiles themselves
18 had been shipped?

19 A Correct.

20 Q And just so the record is absolutely clear, no
21 mention by Poindexter or Thompson of any transfer pre-January
22 1986 other than the September transfer of TOW missiles via
23 Israel to Iran?

24 A Correct.

25 Q Did you mention to Admiral Poindexter at this

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1 meeting or question him as to why he had been taking the
2 approach that you shouldn't be getting all the facts, and
3 that those facts should be confined to those on the Hill who
4 get the briefing?

5 A Not in those terms. But we did press him for
6 information. We asked him whether there were any memcons of
7 their conversations with the Iranians and others; [REDACTED]

8 [REDACTED] And he
9 mentioned, in fact, that there were tape recordings of
10 meetings with Iranians in the White House.

11 and We asked for transcriptions of all these
12 things, and [REDACTED] for information.

13 Q Did Poindexter or Thompson tell you at the November
14 18 meeting anything about the involvement of private parties
15 like Richard Secord or Albert Hakim in this transaction?

16 A No.

17 Q I believe there is a reference, if you look on the
18 last page of Sofaer Exhibit 1, your memcon page 3, that
19 apparently Admiral Poindexter said--I'm looking at the third
20 paragraph--"Iran paid in advance for these shipments to Israel
21 which paid the U.S. government through a proprietary.
22 Poindexter assumed that the arms merchant took his profit,
23 but does not know how much was paid by Iran, only how much
24 was paid to the CIA and DOD."

Did Poindexter tell you anything more about who the

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1 arms merchant was?

2 A No.

3 Q And again he didn't mention Secord, didn't mention
4 Hakim?

5 A No.

6 Q Did he tell you anything more about the pricing of
7 the arms, other than what's reflected in this paragraph?

8 A No.

9 Q And he did not tell you on November 18, I gather,
10 that any portion of the proceeds of the Iran arms sales had
11 been diverted to or for the benefit of the contras?

12 A No.

13 Q Nothing like that came up?

14 A Nothing like that.

15 Q And the only finding he told you about and led you
16 to believe existed was the finding of January 17, 1986?

17 A Correct.

18 Q When that meeting was over did you feel that you
19 then had the whole story?

20 A No.

21 Q Why not?

22 A Because I've heard lots of whole stories in my life.

23 Q All right, we'll go on. I just want to clear up,
24 there is another version of the memorandum of conversation of

25 your November 18 meeting with Armacost, Thompson and Poindex-

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1 ter I'll mark as Sofaer Exhibit 2. It's substantially
2 similar to the one we've marked as Sofaer Exhibit 1.

3 [Sofaer Exhibit No. 2 was
4 marked for identification.]

5 BY MR. BELNICK:

6 Q Judge, would you just describe what the--is Sofaer
7 Exhibit 2 the version of the memcon of that meeting after
8 Secretary Armacost edited it or added some of his comments?

9 A I don't know what Chris Ross did.

10 Q Chris Ross is Armacost's assistant?

11 A ~~Chris Ross~~ is Armacost's assistant. ^{He} took what I had
12 done plus other information that he had available to him ~~and~~
13 ~~and~~---it may have been recollections by Armacost of the
14 meeting that I didn't have in my version ~~and~~ ^{and} he wrote this.
15 ~~and~~ I thought for a complete record you ought to have it.

16 Q And you've looked at it. Is it substantially
17 similar to your version?

18 A It is. There might be some differences. I haven't
19 looked at it with great care. I think that there are no
20 material differences. There might be ~~explanation~~ ^{explanation} points ~~at~~
21 ~~Some places.~~

22 Q Look on the second page, if you would please, of
23 Sofaer Exhibit 2. You see the handwriting in the margin,
24 December 1985. Whose handwriting is that?

25 A I don't know

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1 Q How did the meeting with Poindexter and Thompson
2 end on November 18?

3 A Cordially.

4 Q You and Secretary Armacost urged, as I gathered
5 from the memcon, that they make sure the witnesses who will
6 soon be appearing, tell the complete story and be utterly
7 truthful?

8 A That was my particular concern because I was
9 already very concerned about the way in which things were
10 being done. ~~and~~ We were there, in part, because we knew that
11 Casey was going to testify that Friday. ~~and~~ We asked
12 Poindexter to please be sure to see to it that we got to look
13 at Casey's testimony before it was given on Friday.

14 I think I told him--I have here what I told him.
15 That the witnesses had to be very carefully prepared.

16 Q This is the last paragraph of Sofaer Exhibit 1?

17 A Right. And in fact it says here, especially those
18 related to activities prior to January 17, and that those
19 things should be answered--all questions should be answered
20 truthfully.

21 Q All right. Do you recall the President had a press
22 conference the next evening, November 19th?

23 A Yes.

24 Q And do you recall that there was then a meeting
25 that you participated in at the State Department on the

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1 morning of the following day, that is Thursday, November 20?

2 A Yes.

3 Q This was a regular morning meeting with the
4 Secretary of State?

5 A Yes.

6 Q And the Secretary of State called you over after
7 that meeting?

8 A Yes.

9 Q And what did he say to you concerning the Iran
10 matter?

11 A He told Charlie Hill in my presence--

12 Q And who is Charlie Hill for the record?

13 A His executive assistant. He told Charlie ~~_____~~
14 ~~_____~~ brief Armacost and myself about the arms sales to Iran
15 and all the information that he, the Secretary, might have
16 about those sales.

17 Q Did the Secretary indicate that by then he had read
18 your memo of the November 18 session with Poindexter and
19 Thompson?

20 A No, but he might have.

21 Q Did Charlie Hill then give you the briefing?

22 A One additional fact. And that is that he knew that
23 Armacost--

24 Q He is?

25 A The Secretary knew that Armacost and I were going

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1 to review the draft of Casey's testimony prior to Casey's
2 testifying. And I'm sure that he had it in his mind that we
3 should know what he knew--what the Secretary knew--in
4 evaluating that draft.

5 Q Did you then proceed to a briefing with Hill?

6 A Yes.

7 Q This was in Hill's office?

8 A We started the briefing in Hill's office, and it
9 went on for a considerable length of time with Hill reading
10 from a summary based on his notes. I have a set of notes of
11 that.

12 Q Please refer to them. In the course of that
13 briefing, did you learn from Hill that there had indeed been
14 a pre-January '86 transfer of weapons in addition to the
15 September '85 transfer that you had heard about from Poindex-
16 ter and Thompson?

17 A Yes, I did.

18 Q What did you learn?

19 A I learned that on November 18th, 1985 several
20 things happened. One was a story about Ollie North stumbling
21 on a warehouse in a certain country. And then a call from
22 Bud McFarlane to the Secretary, or a conversation in which he
23 said that the hostages, American hostages in Lebanon were
24 going to be released on November 20th.

He said that Israel would fly 100 Hawks to

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1 [REDACTED] and transfer them to another plane. If the hostages
2 were released, the plane would fly to Iran. If the hostages
3 were not released the plane would fly to Israel.

4 Q This was McFarlane talking to Shultz in November of
5 1985?

6 A Yes. ~~I~~^{It} was a recorded conversation. I got the
7 clear impression that there was a record of a conversation
8 about that arms shipment in Charlie's notes.

9 Q And Hill told you also, judging from your notes,
10 that Shultz had approved of what McFarlane told him--or
11 opposed, excuse me.

12 A Had opposed.

13 Q Had opposed what McFarlane told him, and McFarlane
14 said nothing further?

15 A Well, nothing further was said about the whole
16 matter. It later developed that that whole plan fell
17 through. The hostages were not released. But the Secretary
18 was not told that the Hawk missiles were actually delivered
19 to Iran until he was told that they had been returned.

20 Q Now during your briefing with Hill did someone from
21 the CIA arrive with a draft of Director Casey's proposed
22 testimony for November 21?

23 A Yes, right in the middle of that briefing. We took
24 a break and Armacost and I went down to his office where we

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1 And particularly, was he sure that the CIA and the NSC did
2 not know that these were weapons rather than oil drilling
3 bits.

4 Q What did Gries respond?

5 A He didn't know anything really. I don't think he
6 had any personal knowledge of this matter.

7 Q Did you find anything else in the draft testimony
8 that caused you concern or that you took particular note of?

9 A Yes. First of all, I saw the prices, the money for
10 the missiles, and it seemed low to me. ~~It~~ ^{It} was either by
11 then or ^{later} that day I started collecting information on the
12 prices of TOW missiles. That was one.

13 Another thing that I saw that made me skeptical was
14 the assertion that the CIA said they would ^{help out} ~~help out~~, but only
15 this one time. The CIA said they would assist Israel in
16 shipping these oil drilling bits from ~~██████████~~ by finding an D
17 airline for them or giving them the name of an airline, but
18 this is the only time they would do that without a finding.

19 ~~and~~ This made me ~~██████████~~ skeptical because I
20 didn't see any reason why they would be reluctant to help
21 Israel get the name of an airline if all they were doing was
22 shipping oil drilling bits. So that story did not hang
23 together.

24 And then I saw the name of Southern Air Transport
25 in the testimony. That made me concerned.

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1 Q Why?

2 A I associated that name with Hasenfus or the whole
3 Central American thing. I don't know whether Hasenfus had
4 gone down yet.

5 Q He had.

6 A I associated the name with that. And to me it was
7 a red flag indicating a possible connection to Central
8 America.

9 Q When you finished reviewing the draft which had the
10 reference to Southern Air Transport and oil drilling equip-
11 ment, did you seek permission to go to the Attorney General?

12 A Yes, I went to--it was the same day. I think
13 probably there was about an hour's difference between when I
14 learned all these facts and had them mull in my mind.

15 I went to Charlie Hill and I told him that I
16 thought there was a serious question relating to November and
17 possibly even September. That the pre-January activities
18 were not necessarily known by the Attorney General. That he
19 had given an opinion in January, that he may not have known
20 of any of these pre-January activities. And that it appeared
21 that there was a misstatement in Director Casey's testimony
22 and a story that was concocted.

23 Whether it was concocted with his knowledge or not,
24 I had no idea. In fact, I knew he was out of the country.

25 Q Who?

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1 A Casey, while this testimony was being prepared. So
2 I assumed that it was being prepared by his staff. But
3 whoever came up with that story, I questioned its veracity.

4 And I asked for permission from Charlie Hill, and
5 Nick Platt, I believe was also there at the meeting.

6 Q Who was Nick Platt?

7 A Nick Platt was Executive Secretary.

8 Q At the Department of State?

9 A At the Department of State. And I asked him
10 permission, in the sense that I had made up my mind to do
11 this, but I always get clearance for a major thing like this.
12 This was a--

13 Q What were you getting clearance for?

14 A To call the Attorney General and advise him that
15 the testimony of Casey contained information about a shipment
16 allegedly of oil drilling bits. That I did not believe that
17 statement, and that in Secretary Shultz's notes, which
18 Charlie Hill kept, there was an indication of a shipment in
19 November of Hawk missiles and that McFarlane knew about that.

20 Q Did you know as of the time, Judge, that you
21 reviewed the draft testimony--that is November 20--whether
22 McFarlane had previously reviewed it?

23 A No.

24 Q You didn't know one way or the other?

25 A No.

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1 Q Going back to your conversation, I assume Charlie
2 Hill gave you permission to contact the Attorney General?

3 A Yes, he did. With great apprehension, but he did.

4 Q What did you do?

5 A I called the Attorney General and he was not in.

6 Q This was on November 20 still?

7 A November 20th. I then called the Deputy
8 Attorney General Arnie Burns. He was not in, but there was a
9 promise that he would get back to me. He returned my call at
10 around 3:27 that afternoon. I had called him around 2:30.)

11 I told
12 him this information.

13 Then he returned--

14 Q The information about the Hawks and the draft
15 testimony?

16 A Right. He returned--let me get that clear now. I
17 called him.

18 Q You called Arnie Burns?

19 A I communicated the information. Then he called me
20 back and I returned his call again, and he told me the
21 following. He said, that he had told the Attorney General
22 the information I had conveyed. This is at 3:50 p.m. that
23 day.

24 Q November 20?

25 A November 20th. He told me that he had conveyed the

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1 information that I had conveyed at 2:30 to the Attorney
2 General about the November 1985 shipment from Israel, about
3 the CIA's testimony concerning a White House urgent request
4 for assistance in that shipment, and the White House NSC
5 denial of such assistance.

6 By that time I had learned from Gries that the NSC
7 and the CIA had a conflict. That the NSC claimed that they
8 had no information at all about a request for assistance from
9 the CIA concerning an oil drilling bit shipment. And the CIA
10 claimed that their assistance in finding this aircraft was in
11 response to an urgent request from someone in the NSC. So
12 ~~there was~~ ^{caused} a direct conflict there.

13 So Burns said to me that the Attorney General had
14 spent the afternoon working with Poindexter and Casey on
15 Casey's testimony and that he, the Attorney General, was
16 fully aware of the facts I had mentioned. Burns said that
17 the A.G. was profuse in his thanks for my warning and
18 appreciated my motives but that he, the Attorney General,
19 knew of certain facts that explained all these matters and
20 that laid to rest all the problems I might perceive.

21 Burns said the Attorney General did not give him
22 any facts and that he, Burns, was simply passing on the
23 mysterious, as he put it, assurance that all was well.

24 Q And so Burns did not know what facts the Attorney
25 General was referring to that he, the Attorney General knew

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1 that supposedly explained everything and laid to rest all the
2 problems?

3 A Correct. Burns was just acting as a messenger.

4 Q And he himself found the assurance from the A.G.,
5 in his words, mysterious?

6 A He used that word.

7 Q Did you speak to anyone else on November 20 about
8 your concerns regarding the draft testimony of Director Casey?

9 A I reported on this conversation to Charlie Hill and
10 perhaps Nick Platt also, and told them that I was going to
11 call the White House counsel.

12 Q They said fine?

13 A Not quite in that spirit.

14 Q In any event, they said okay?

15 A Let me make it clear that I was not asking them for
16 permission in the ordinary sense of the word.

17 Q I understand that.

18 A I knew what my obligations were to the President
19 and to the law, and it was a question of simply telling them
20 what I was going to do. That I was not satisfied with the
21 answer I had gotten from Burns and that I was determined to
22 tell Wallison.

23 Q Let me make one thing clear for the record. We're
24 not going to mark your notes, but the notes that you've been

25 referring to of these conversations, including your notes of

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1 the Burns conversation on November 20 are contemporaneous
 2 notes that you made at or about the time the events and the
 3 conversations took place?

4 A Most of them are. The ~~other~~ conversation with
 5 Burns was particularly carefully written down because I felt
 6 it was an important conversation and I wanted to be very
 7 careful as to its accuracy.

8 Q And that's the conversation to which you've just
 9 testified making reference to the notes, correct?

10 A Yes. I think I read them.

11 Q Now did you call Peter Wallison on November 20?

12 A Yes, I did.

13 Q Tell us about that conversation.

14 A I called Wallison after speaking to Burns and then
 15 going and telling the people upstairs that I was going to
 16 call Wallison.

17 Q I take it you weren't satisfied in hearing that the
 18 Attorney General knew of some unknown facts that explained
 19 everything and laid the problems to rest?

20 A No, I was not satisfied. I was not speculating in
 21 my mind as to what had happened, but obviously one of the
 22 possibilities I had in mind was that people in the NSC or
 23 others, Casey included, had convinced the Attorney General of
 24 a story that I might find unconvincing.

Q So you feared that there may be a cover-up in

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1 progress?

2 A I was very afraid.

3 Q Now tell us, please, about your November 20
4 conversation with Peter Wallison.?

5 A I called Wallison, it must have been around 4:00.
6 And I told him everything that I had learned up to that
7 point. I told him that he was the President's lawyer, that I
8 felt an obligation to tell him these facts. That I had
9 reviewed the CIA testimony. That I felt that it included a
10 false story about oil drilling equipment, and that he should
11 look into it.

12 Q What did he say to you?

13 A He was shocked.

14 Q This is Wallison?

15 A Yes. He didn't know anything about any of this.
16 It was clear to me that he had been totally shut out of the
17 process. He was extremely interested in as much information
18 as I had, and he promised to talk to Cooper and Thompson
19 about it. They may even have been in his office.

20 Q Do you recall that he told you that Cooper and
21 Thompson were standing in his office at the time?

22 A My recollection is he said to me, they're right
23 here. Cooper and Thompson are right here in front of me.

24 Q Did he put Cooper on the phone, do you recall?

25 A Yes, I do recall that he did put Cooper on the

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1 phone, as far as I recall.

2 Q And what did you tell Cooper?

3 A The same thing.

4 Q And specifically that the statements regarding lack
5 of knowledge or statements regarding oil drilling equipment
6 that you had seen were untenable in light of what you knew to
7 have been the McFarlane-Shultz conversation?

8 A Yes, I added the--not only that. I told him what I
9 knew about the conversation and then I added my own observa-
10 tions.

11 Q Before we get to your observations, do you recall
12 that when you spoke to Cooper on November 20 while Cooper was
13 in Wallison's office, when you told Cooper what you were
14 concerned with that Cooper told you that the draft of
15 Director Casey's testimony had only shortly before been
16 modified to strengthen the claim regarding the November
17 shipment, and that the draft now said that no one in the
18 United States government knew that the November shipment was
19 Hawks as opposed to oil drilling equipment. Do you recall
20 Cooper telling you that?

21 A Yes.

22 Q And you responded, I take it, that that claim was
23 impossible in light of what you knew to have been the
24 conversation between the Secretary of State and McFarlane in
25 November '85?

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1 A Yes. And I also thought it was untenable as a
2 matter of logic. That the CIA would not have reacted in the
3 way that Casey's testimony indicated. That is, with a
4 warning that they would not do this again. That the request
5 for an airline would not have been urgent over oil drilling
6 bits.

7 And that generally the whole thing smelled to me
8 like the kind of thing you see in a trial--and ~~and~~ I've
9 presided over hundreds--in a narcotics case, ~~for example,~~
10 ~~where they refer to the drug as "stuff" or something~~
11 like that. You always have some kind of phrase that you use
12 to describe what you're selling when you don't want to talk
13 about it directly.

14 Q And here it was oil drilling equipment?

15 A Right, oil drilling bits.

16 Q But what you heard from Cooper on his end was that,
17 if anything, from the time you had seen the draft of Director
18 Casey's statement until the time of this conversation, in
19 between which you had conveyed a message to the Justice
20 Department, the draft had gotten worse?

21 A That's true.

22 Q And now the draft had gone out to say that nobody
23 in the United States government knew anything other than the
24 oil drilling story?

25 A That's what Cooper told me. I had not seen the

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1 redraft.

2 Q Did you have occasion, on that call, to ask Cooper
3 if he had spoken to the Attorney General by then about any of
4 this?

5 A I don't know that I specifically asked him that. I
6 probably mentioned to him that I had called Arnie and Arnie
7 had communicated this information to the Attorney General.

8 Oh, yes, I definitely did, because I told him that
9 I was disturbed by the answer that I had gotten.

10 Q The answer that you had gotten from Arnie?

11 A From Arnie, and that I thought that he should
12 follow up and make sure that the Attorney General was not
13 being sold a bill of goods.

14 Q And Cooper indicated he would do so?

15 A Yes, he did.

16 Q That conversation ended. Do you recall any more
17 conversations on November 20, concerning this same matter?

18 A Yes, I had another conversation with Cooper around
19 six o'clock.

20 Q Before you spoke to Cooper again, do you recall
21 speaking to Wallison, who told you that there had been a
22 conversation with North about that November shipment?

23 A I recall that having occurred at 6:25.

24 Q After you spoke to --

25 A I have spoken to Wallison before and after, but

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1 I do recall a conversation at 6:25.

2 Q Since I think that's the shorter one, tell us what
3 the conversation was with Wallison at 6:25 p.m. on November
4 20.

5 A He said that, according to North, all North did was
6 to give the Israeli² the name of a proprietary airline. They,
7 then, made the arrangements to use the airline. That he,
8 North, denies that he knew it was Hawk missiles or arms. He
9 says he understood it was Drill Bits.

10 Then Wallison said to me the President keeps
11 getting deeper into this because people are operating in his
12 name.

13 Q Who did you understand Wallison to be referring to
14 when he said people are operating in his name?

15 A People were operating in his name. I understood it
16 to be Poindexter, North and others were taking actions, had
17 taken actions without the President's approval.

18 Q Taken actions during the period of the --

19 A Yes, September and November, right.

20 Q Tell us, then, about the evening conversation or
21 conversations that you had with Cooper on November 20?

22 A Cooper said that Ollie North said that there had
23 been no call and that he had no knowledge of any of this.

24 Q Any of the --

25 A The arms. And he denied the call to the CIA, as

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1 well, at that point.

2 Q What call to the CIA?

3 A The urgent call for an airline, to have an airline
4 arranged. All he did was provide the name of a proprietary
5 from the CIA. That is, he apparently did get, from the CIA
6 at some point, the name of an airline which he passed on to
7 the Israelis.

8 I said that that was nonsense, that it couldn't be
9 correct, that we had a contemporaneous note of ^{McFarlane's} ~~the~~ call. I
10 guess my note said that ~~McFarlane's~~ Ollie North said there
11 was no call, I gather would be the November '85 call. ~~McFarlane's~~

12 ~~McFarlane's~~

13 Q You said that there were contemporaneous notes at
14 the State Department?

15 A Yes, I told Cooper that we had a contemporaneous
16 note of the call in November '85.

17 Q Do you remember Cooper's succinct response?

18 A He expressed shock in a way that would not be
19 polite to mention in a public record.

20 Q Shock at hearing about the note?

21 A Yes.

22 Q Did you tell Cooper you had a concern about the
23 course that events were on?

24 A Yes, I told him that both Armacost and I were
25 extremely concerned that people were not telling the full

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1 truth and we were scared -- I was scared that the President
2 would be in trouble if the testimony was not changed and if
3 people were not forced to tell the truth about all this.

4 Q Did you indicate to Cooper that you might have to
5 resign or would have to resign if the testimony were not
6 changed to reflect what you believed to be the truth?

7 A Yes, I did. The reason for that was I believed in
8 the Secretary of State and if he had a note indicating that
9 he believed that something had happened, I ~~assume~~ ^{assume} that
10 that would be the truth and that would force me to have to
11 indicate that in some forceful way.

12 Q To put it bluntly, Judge, you told Cooper that if
13 Director Casey gave testimony that said no one in the United
14 States government knew that the November transfer was Hawks,
15 you were going to resign from the government?

16 A Yes.

17 Q Did Cooper respond?

18 A Yes, he said that he would ~~leave~~ ^{leave} with me.

19 Q Did Cooper tell you whether he had spoken to
20 Thompson or to McFarlane, after having heard from you in
21 Wallison's office about McFarlane's recollection of November?

22 A It may well be that he told me that McFarlane said
23 there was no call in November.

24 Q And that McFarlane even hearing, via Thompson or
25 Cooper, that the State Department was taking the position

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1 there had been such a conversation and that the conversation
2 involved Hawks, McFarlane was still saying he didn't know
3 anything about Hawks in November and was denying or at least
4 failing to recall any such conversation?

5 A Yes.

6 Q Did you hear again from Cooper late in the evening
7 on November 20, that he had reached the Attorney General?

8 A Yes. Let me say that I was more concerned about
9 cover-up than I was about anything else. I believed that
10 Cooper and I and a number of other people had a duty to
11 insure that no cover-up occurred. On the other hand, we also
12 could have, if we had the true facts, we could deal with it.
13 We could then see whether there was any proper legal basis
14 for what had occurred.

15 I was not assuming that anything that had been done
16 was illegal. What I knew was that a cover-up was illegal and
17 that whatever you might be able to say about the legality of
18 something you did, there is no way you could claim that a
19 cover-up was legal.

20 Q It was your position you could deal with the facts,
21 but not with the alteration of facts?

22 A Absolutely. You might be able to deal with the
23 facts, and you have to face the facts, whatever they were,
24 yes.

Cooper told me, at 11:28 p.m. that night, November

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1 20, according to my notes, that he had told the Attorney
2 General about this. Apparently he had called him out of town
3 and he, the Attorney General, fully shared the concerns we
4 shared and he cancelled a trip.

5 There were many questions about Charlie Hill's
6 notes that Cooper and the Attorney General had. When were
7 they taken? What was written down in them? The Attorney
8 General was very interested in those notes.

9 That he had called Paul Thompson and he was told
10 earlier that Ollie North had adhered to his prior story, that
11 Paul Thompson then called Poindexter, who tried to reach
12 McFarlane and he couldn't reach him.

13 Then he told me that references in Casey's testimony
14 had been changed.

15 Q The references to the oil drill story?

16 A Right, that it had been adjusted correctly to avoid
17 the issue. I wrote ~~those~~ notes that way because --

18 Q Wrote your notes that way?

19 A Yes, because what he told me was not an indication
20 that the matter had been dealt with fully, in a satisfactory
21 way, but at least the misleading of Congress was avoided.

22 I congratulated him and we agreed that the President
23 should not be placed at risk until the truth is known. That
24 is, we were satisfied with that fix because at least there
25 wasn't a lie out there and the President wasn't at risk. We

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1 could then go further, investigate further, et cetera.

2 At this point, no formal investigation had been
3 authorized by the President and I gather it was the next day
4 or so that Cooper called me and said the President had
5 authorized the Attorney General to investigate.

6 Q Does that do it for your recollection of events on
7 November 20?

8 A Yes.

9 Q Let's turn to the next day, which is --

10 A ~~It~~ about two minutes to ~~2~~ ² ~~minutes~~ ^{minutes}, November 21.

11 Q Turn to the next day, Friday, November 21, which is
12 the day that Director Casey will go to the Hill to give his
13 testimony. Did you see a draft of the revised Casey testimony
14 that morning?

15 A Yes, I did, or I saw it at the hearing or heard it
16 at the hearing.

17 Q Did you attend the hearing?

18 A Yes, I attended the first half of the morning
19 session.

20 Q So you heard the Director testify?

21 A I did.

22 Q And you either observed, by looking at the testimony
23 or heard by hearing it, that the reference ~~to~~ ^{that} no one in the
24 U.S. government knew that November involved Hawks was gone
25 from the testimony?

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1 A Yes.

2 Q Do you remember that what was there was a reference
3 by Director Casey to the effect that the pilots were told
4 that the planes contained oil drilling equipment?

5 A It might have been there.

6 Q But you were satisfied, at least, that there was no
7 misleading reference to what anyone in the United States
8 government knew or did not know about that Hawk shipment?

9 A That wasn't cleared with me, anything about the
10 pilots. If I had seen that in an earlier draft, I might have
11 raised some questions about that as well.

12 Q What you heard, though, did you find satisfactorily
13 in terms of the issue that you had been focused on, of U.S.
14 government knowledge or lack of knowledge?

15 A Yes, that there was no assertion that no one in the
16 U.S. government knew these were arms. I knew that some
17 people knew that these were arms.

18 Q Was Secretary Armacost with you at the hearing?

19 A Yes, he was.

20 Q Was the reference to Southern Air Transport, that
21 you had taken note of in the draft testimony, still in the
22 testimony as Director Casey gave it to the Senate Committee
23 on November 21?

24 A No.

25 Q Did that bother you?

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1 A Yes.

2 Q Did it concern Secretary Armacost, as well?

3 A [REDACTED] It
4 did concern him.

5 Q Why did it concern you?

6 A As I said, I thought that the fact that the arms
7 were carried by Southern Air Transport created a potential
8 connection to Central America.

9 Q Potential connection between the Iran program and
10 Central America?

11 A Yes.

12 Q What did you do, given this concern that now the
13 reference to Southern Air had disappeared from Director
14 Casey's testimony?

15 A I told Armacost of my concern and I drafted a
16 memorandum, handwritten, to the Director of the CIA, Casey,
17 from Armacost and myself.

18 [Sofaer Exhibit Number 3
19 was marked for identification.]

20 BY MR. BELNICK:

21 Q Is that the handwritten memo that we've just marked
22 as Sofaer Exhibit 3?

23 A Yes.

24 Q Did you take this handwritten draft to Secretary
25 Armacost?

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1 A Yes.

2 Q Did he make certain additions to it?

3 A I believe that the addition, "which were in earlier

4 drafts" on the second line of the memo was made by Armacost.

5 It could have been made by Chris Ross, or someone on his

6 staff, but that is not my handwriting.

7 Q Was this memo officially sent to the DCI?

8 A No.

9 Q What happened?

10 A I gave this to Armacost by hand and I told him that

11 I thought that we should send this memorandum. He said he

12 would look at it and get back to me. He got back to me later

13 and said that he had talked to Gries about this matter

14 directly, rather than send a memorandum. Gries acknowledged

15 a mistake had been made, that he didn't know why this

16 reference had been dropped out, and that he would take care

17 of it.

18 Armacost added that it was in their hands to take

19 care of.

20 Q In CIA's hands?

21 A CIA's hands.

22 Q That discussion is noted at the bottom of your

23 draft memorandum, Exhibit 3, correct?

24 A Yes, when Armacost gave me back this memorandum and

25 told me what he told me, I wrote that down on the bottom.

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1 Q Talked to Gries, et cetera?

2 A Right.

3 Q What is the last line on Sofaer Exhibit 3?

4 "Meeting CIA to discount --" could you read that to us?

5 A "Meeting CIA to discount Iranian terror."

6 I recall, at that time, there was considerable
7 criticism within the Department of State that the CIA was
8 discounting the danger of Iranian terrorism and that there
9 had been a meeting to discuss Iranian terrorism and that we
10 had taken the opposite point of view, that no change had
11 occurred.

12 Q Going back then to Exhibit 3 itself, though, the
13 draft memorandum, your concern as I understand in preparing
14 this memorandum for you and Armacost, was that the Intel-
15 ligence Committees, one way or the other, get the information
16 about Southern Air that had been deleted from the Director's
17 testimony?

18 A Absolutely. This was a form of potential deception
19 and lack of full information.

20 Q You understood from Armacost that Gries had given
21 him some kind of an assurance that this would be taken care
22 of?

23 A Yes.

24 Q Then you subsequently saw reference to Southern Air
25 appearing in the press and perhaps elsewhere, and believed

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1 that that had been done?

2 A Yes, I assumed that the matter had been taken care
3 of. After we discussed this recently, you and I, I called
4 Mr. Armacost and he confirmed that he had passed this
5 information on to Gries and Gries confirmed having received
6 it and having passed it on.

7 He doesn't know exactly what happened, but from the
8 newspaper accounts of all these events, and everything else,
9 I assumed that the staff had learned in ^{some} appropriate manner
10 that Southern Air Transport was involved.

11 Q On November 21, did you also receive a telephone
12 call from Cooper?

13 A Yes.

14 Q What did Mr. Cooper tell you on that day?

15 A He told me that he was investigating the matter,
16 that the President had authorized the Attorney General to
17 conduct an investigation. This was Friday, I believe. And
18 that he had learned that the pilot of the plane knew that
19 they were carrying Hawk missiles or arms.

20 Q The pilot of the plane involved in the November '85
21 transfer?

22 A That's right.

23 Q Did Cooper tell you it was all a big mess now?

24 A Yes, because he gave me the impression that they
25 had assured him --

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1 Q That who had assured him?

2 A That the people in the NSC, with whom they had
3 spoken, had assured the Attorney General that the pilot did
4 not know that he was carrying arms and the CIA didn't know,
5 and now they found out that the pilot did know.

6 Q Indeed, Director Casey, as the record will show,
7 had testified earlier that day that the pilot was told it was
8 oil drilling equipment?

9 A Right. So it's clear that Cooper regarded that as
10 very significant in light of that specific testimony.

11 Q Did Cooper tell you what he was going to do?

12 A He said he was getting off the phone right away
13 because he was very busy.

14 Q Did he tell you, by that point, that the President
15 had ordered a formal investigation by the Attorney General?

16 A Yes, either then or roughly then.

17 Q Did you, on this same day, Friday November 21,
18 write a memorandum concerning this whole matter? A memorandum
19 which was for the purpose of helping prepare the Secretary of
20 State to see the President about the Iran deal?

21 A Yes.

22 MR. BELNICK: I will ask the reporter to mark what
23 I believe to be that memorandum as Sofaer Exhibit 4.

24 [Sofaer Exhibit Number 4

was marked for identification.]

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BY MR. BELNICK:

Q I will hand you the memo so marked, Judge. It's dated November 21, 1986, addressed to Messrs. Platt, Hill, Bremer and ^{Raguel}~~Baker~~ from you, subject memorandum of points concerning arms transfer to Iran. That is your memorandum?

A Yes, it is.

Q As stated, this is one you wrote in furtherance of helping prepare the Secretary to see the President?

A Yes, this was a reaction to the events of the last few days and to several drafts of ^amemoranda ^{you} that ~~was~~ prepared by other officials in the Department of State concerning the President's press conference and the tremendous skepticism that existed within the Department about the positions taken by the President at that press conference.

I felt that the other memorandum was much too critical of the President and, in fact, missed what was really going on ^{had been} the President ~~was~~ prepared for a press conference by individuals who had actually supported a policy that was a disaster politically and possibly raised serious legal questions, and who were possibly withholding the truth from the President about events that occurred before January 1986.

Q So that you thought the focus ought to be on advising the President that there were people around him that were not telling him the truth?

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my point was to State Department

1 A Yes, in fact ~~my~~ ought to be more supportive of
 2 the President and more helpful in trying to get the President
 3 to support a full investigation and to avoid letting the
 4 President be drawn into a cover-up scheme of any kind through
 5 his sense of loyalty, which he has in abundance.

6 Q I gather also, from our conversation before the
 7 deposition, Judge, that you're not certain whether this
 8 memorandum of yours, Sofaer Exhibit 4, reached the Secretary
 9 before or after he had already seen the President?

10 A I am certain it went into the system because I know
 11 it was read by the Deputy Secretary, who approved of its
 12 approach. He felt that this memorandum was more in line with
 13 how the Secretary ought to approach the President, but I'm
 14 not sure that it got to the Secretary before his meeting with
 15 the President.

16 I've never really asked the Secretary.

17 Q Did you have a chance, during that period, Judge,
 18 to say to the Secretary face to face or to express to the
 19 Secretary face to face your concern that there was a cover-up
 20 or that people around the President were not telling the
 21 truth?

22 A I don't recall a specific meeting with him until
 23 Saturday, the next day, the 22nd. But everything I told
 24 Hill, I assumed was getting right to the Secretary. He was
 25 an immediate pipeline to the Secretary.

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1 Q And you were telling Hill, throughout this period,
2 that concern of yours?

3 A Every single event, ~~and~~ the phone calls, the
4 substance of the calls, ~~and~~ was communicated either to Hill
5 or to Platt and I have found, in my experience at the State
6 Department, that that is a direct channel. Either is a
7 direct channel to the Secretary.

8 MR. BELNICK: Can we go off the record for a moment?

9 [Discussion off the record.]

10 [Sofaer Exhibit No. 5 was

11 marked for identification.]

12 BY MR. BELNICK:

13 Q For the record, Sofaer Exhibit 5 bears our identi-
14 fying stamp numbers S-3916 through S-3921. And, Judge, my
15 question is whether this exhibit is at least a draft or one
16 of the drafts of the memo to which you were reacting in the
17 memo you wrote, namely Sofaer Exhibit 4?

18 A Yes, it is a draft of the memo referred to in the
19 first sentence of my memorandum. "The memo we have prepared
20 is indispensable in that it contains useful material for the
21 Secretary."

22 Q But you thought ~~it~~ was a memo which didn't give
23 the right focus, which again in your judgment ought to have
24 been not on criticizing the policy or the President, but on
25 let's get the truth out and then deal with the facts?

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1 A Well, the criticism could be there. The only part
 2 of this memo that I had been involved in ~~was a section on serious legal questions on page 6.~~
 3 ~~That's why I~~ found out about this memo.
 4

5 But the tone of this memorandum was not the kind of
 6 tone you would use if you were trying to get the President--
 7 if you were trying to help the President and trying to get
 8 the President to protect himself, rather than to protect
 9 others who might really not be deserving of protection.
 10

11 Q Now when you say to protect himself, to protect
 12 himself by making sure that he got the facts and that the
 13 facts got out?

14 A The true facts, yes, because he was being told this
 15 was all defensive equipment. I mean, that's not an idea that
 16 hatched out of his head. Obviously, the President, he was
 17 told that all this equipment would fit on a certain size
 18 plane. I mean, the President of the United States doesn't
 19 make calculations like that. Those were calculations that
 20 were made by his staff, and they were obviously misleading
 21 him.

22 So the way this memorandum was written quotes from
 23 what the President said, and then ^{gives} highly critical answers to
 24 what the President had said. That is not constructive. That
 25 was not constructive in my judgment.

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1 Q You didn't think that the issue was a debate
2 between the President and the facts, it was a debate over
3 whether the President was getting the facts?

4 A Yes, I thought the facts--it was great to give the
5 President the facts, and the facts here were very useful to
6 the Secretary to convey to the President. But that that
7 should be done in a way that's supportive of the President to
8 show him how people were misleading him.

9 Q On November 21, did you also receive a telephone
10 call from Bud McFarlane?

11 A Yes, I did.

12 Q Please tell us about that call.

13 A Mr. McFarlane asked me if--

14 Q He called you?

15 A Yes. He asked me if there were--he said that he
16 had heard that there were notes, contemporaneous notes kept
17 by the Secretary of conversations between him and the
18 Secretary and others relating to the Iran arms matter.

19 Q Did he specifically mention the November '85
20 shipment, or just generally the Iran matter?

21 A I don't recall, but he said he had heard that there
22 were notes. And I assumed that he had heard that from the
23 Attorney General and that it related to the note that I had
24 told the Attorney General about.

25 Q What else did Mr. McFarlane say?

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1 A He asked if I had the notes and if he could have
2 access to them.

3 Q What did you say?

4 A I said I didn't have the notes and that I would
5 pass on his request.

6 Q Did he ask you whether the notes would be given to
7 the Justice Department?

8 A Yes, he did.

9 Q And you told him they would be?

10 A Yes, I said I was sure they would be.

11 Q Did you hear from the Secretary of State's office
12 subsequent to McFarlane's call?

13 A Yes.

14 Q What did you hear and from whom?

15 A I heard from Charlie Hill and/or Nick Platt--might
16 have been both, might have been one--that McFarlane had
17 called the Secretary and had asked to see him about the
18 possibility of some notes that he, the Secretary, had kept.

19 Q Were you asked for your advice about that meeting?

20 A Yes.

21 Q What advice did you give?

22 A I advised the Secretary not to see Mr. McFarlane.

23 Q Why or why not?

24 A The reasons are spelled out in a memorandum I wrote
25 to the Secretary "Not for the System." It's entitled "Not for

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1 the System because it was not to be distributed to other
2 people.

3 [Sofaer Exhibit No. 6 was
4 marked for identification.]

5 BY MR. BELNICK:

6 Q And is that memorandum the one that we've just
7 marked as Sofaer Exhibit 6?

8 A Yes.

9 Q And this is a memo you did send to the Secretary?

10 A Yes, definitely, on that day.

11 Q Do you know if the Secretary followed your advice?

12 A Yes.

13 Q And he did not see Mr. McFarlane, as far as you
14 know?

15 A Yes, as far as I know. He may have spoken to him
16 on the phone to tell him that he couldn't see him, but I ^{believe}
17 that he didn't see him.

18 Q There's a notation in the upper left, 12/5 OBE, NP
19 is that?

20 A Yes.

21 Q Is that Nick Platt's writing?

22 A Right.

23 Q Do you know what that--I know OBE usually means
24 overtaken by events.

A Right.

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1 Q And is that your understanding of what it means
2 here?

3 A Yes, it means that by the time Nick Platt got it it
4 was December 5th. I must have delivered it to the Secretary
5 via Charlie Hill, which is the back door essentially.

6 Q Now do you know whether the Secretary had a meeting
7 with the Attorney General on the next day, November 22?

8 A Yes, one of the calls that I received on the 21st
9 was from Cooper who asked me to set up a meeting between the
10 Attorney General and the Secretary of State on the morning of
11 November 22nd.

12 Q That Saturday morning?

13 A Yes.

14 Q And you set up that meeting?

15 A I did.

16 Q You came to the office that day?

17 A Yes, I did. I was in the office by 7:20 or so.

18 Q You did not sit in on the meeting between Cooper
19 and the Secretary?

20 A I didn't.

21 Q Was the A.G. at that meeting so far as you know?

22 A Yes.

23 Q And so was Charlie Hill?

24 A As far as I know, Charlie was there, yes.

25 Q Were you debriefed on the meeting after it ended?

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1 A Yes, I was.

2 Q What were you told?

3 A I was told that the Secretary and Charlie had gone
4 through some of the story with the Attorney General. That
5 the Attorney General had asked about the type of notes that
6 had been preserved, and that had been explained to him.

7 The Attorney General asked the Secretary, was he
8 sure that he did not know about the finding. That came up.
9 And the Secretary said he did not recall the finding. And the
10 thought was floated that the finding may have been discussed
11 ~~on~~ on January 7th or whenever they had the meeting, ~~but~~
12 after the Secretary had left or some such thing, or ^{at} another
13 meeting. But that came up.

14 And there was a general agreement that they would
15 ~~cooperate~~ ^{cooperate} ~~with~~ ^{with} State Department for this
16 investigation.

17 Q You spoke to Cooper the next day, November 23 on
18 Sunday to find out how he felt about his meeting with the
19 Secretary of State?

20 A Yes, I wanted to know--incidentally, another thing
21 that came up in the meeting was the Secretary asked me if I
22 could be his lawyer. He asked me for my judgment as to
23 whether there was any reason why he should get another
24 lawyer. He had mentioned the fact that I had very actively
25 called the White House and the Attorney General about

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1 everything that I was finding out, and that he recognized the
2 propriety of that. That I was really a lawyer for the
3 government and for the President and that I had a duty to
4 report all that.

5 And he ~~was~~ wanted to know--I think the
6 issue had been raised with him by Nick Platt and Charlie
7 Hill--~~whether~~ whether I could serve as his lawyer. ~~I~~ I told
8 him that I had heard the story from Charlie. That I had
9 pretty good information up to that date of the events, and
10 that I saw no conflict of interest in my role as department
11 lawyer, and President's lawyer, and the Secretary of State's
12 lawyer. That I felt that since he was essentially clean, as
13 far as I could tell, that he did not have any problem and
14 that I had no problem representing him and preparing him as
15 the ranking official of the Department of State.

16 Q Okay.

17 A He accepted that, and he was upset about the stress
18 on law, all the legal stuff. He was very concerned about our
19 terrorism policy and wanted the focus of public events to
20 return to substance; very eager to have that happen. And I
21 just said that he would have to live with this. That I
22 perceived a long period of events relating to legal issues
23 and hearings and everything else.

24 Q Let me go back a day or so. Do you recall that
25 around the 21st, on or about then that you had asked one of

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1 your deputies to get you some numbers regarding the cost of
2 the various weapons that you knew to be involved in these
3 transfers?

4 A I believe it was Friday afternoon.

5 Q The 21st?

6 A I came back down and I called Mike Matheson. And I
7 asked him to get me the figures on the cost of TOW missiles.

8 Q He gave you those figures, and what did you
9 conclude when you looked at the figures?

10 A I concluded that the fair market value of TOWs was
11 substantially in excess of ~~what the CIA had received from~~
12 ~~what the DOD received from the CIA as payment.~~

13 Q And did that lead you to conclude that there was
14 probably a surplus of funds that had been generated in this
15 transaction?

16 A I didn't conclude anything, but it led me to ~~conclude~~
17 mention to the Secretary on Saturday the 22nd at the end of
18 the meeting with him, after he had spoken to the Attorney
19 General, ~~I said to him~~ that I was very concerned about the
20 possibility that there was a surplus of funds. And that I had
21 no idea how it was used, but that I also was concerned about
22 the presence of Southern Air Transport in the picture.

23 And Mike Armacost mentioned the fact that there had
24 been this contact in May of '86 from people involved with the

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And he was concerned about money being

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1 diverted for freedom fighters around the world essentially.

2 Q What did the Secretary say?

3 A The Secretary didn't say anything, he just listened.

4 Q This was after the Secretary had met with the

5 Attorney General?

6 A Yes.

7 Q And so the record is clear, the meeting between the

8 Secretary and the Attorney General took place the morning,

9 that Saturday before lunch?

10 A Yes, took place early in the morning.

11 Q Now jumping--

12 A After that night, or the next night--

13 Q November 23?

14 A Yes, November 23, I was interested in knowing where

15 the investigation stood. And Cooper was interested in seeing

16 the notes. So we were on the phone together. I don't know

17 who called, but we were probably calling each other. ~~and~~ He

18 said, have you arranged to make sure that I can get to see

19 the notes. And I said, don't worry, I'll see to it.

20 And I ~~said~~, how did it go ~~with~~ with the Secretary,

21 and how is it going generally? ~~and~~ He was exhausted, I could

22 tell from his voice. It was late at night on Sunday. And he

23 said, it's just a real mess, and that they had found out a

24 lot of things.

And he asked ~~me~~ he mentioned that I had mentioned

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1 earlier that I was concerned about a surplus of funds.

2 Q How did he know that?

3 A I had mentioned it to him.

4 Q To Cooper?

5 A Sure. And he said, how did you know about that?

6 What had led you to that? And I explained to him that I just
7 thought there was a spread, ~~and~~ ^{but} a cost price and sale price
8 might be very different. ~~He~~ ^{He} didn't say anything. ~~he~~ ^{at}
9 led me to believe that that might be significant in the
10 story. He did not explain to me what had happened.

11 Q Cooper didn't tell you on the 23rd that the day
12 before representatives of the A.G. had found the so-called
13 diversion evidence?

14 A No, he didn't at that time. I told him that, ~~at~~
15 ~~_____~~ a minimum, I was scared that ~~_____~~
16 ~~_____~~ Southern Air Transport had been given a lot of money
17 for its arms shipments to the Middle East to subsidize it, in
18 effect, for doing the work it was doing in Central America
19 for the FDN.

20 Q But these were concerns that you were generating
21 based on inferences? You at that time knew nothing about the
22 fact of any diversion from the Iran program to contras or
23 elsewhere?

24 A Not until the Attorney General's press conference.

25 Q On the 25th of November?

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1 A Yes.

2 Q Okay.

3 A Anyway, I also asked him about the Secretary's
4 testimony and was the Attorney General satisfied with it, is
5 there any other information that he needed, et cetera. And
6 he assured me that the Secretary had given the Attorney
7 General a full and credible story as far as he could tell,
8 and that the problems that they had lay exclusively elsewhere.

9 Q Subsequently, did Cooper come in to see the Hill
10 notes?

11 A Yes, he came in at 9:20 a.m. on the next morning.

12 Q November 24th?

13 A Yes.

14 Q Reviewed the notes? Were you there?

15 A No, he wanted to see the notes then, and Charlie
16 still didn't have the notes pulled. He was very reluctant to
17 actually give up physically the notes. It had never happened-

18 -

19 Q I know that.

20 A His reluctance came as a result of the fact that he
21 has never had to do ~~work~~ ^{even a thing} in his whole career as a foreign
22 service officer. But I told him in no uncertain terms that
23 he would have to reveal all the notes that were relevant to
24 any criminal investigation, and he accepted it.

So anyhow, he agreed to pull the notes, and Cooper

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1 said he'd wait. ~~He~~ He read a memorandum Charlie prepared,
 2 which was an outline of what had happened. And Charlie gave
 3 him some more of a briefing. ~~We~~ We had further discussion,
 4 and Cooper left.

5 ~~And thereafter~~ ~~Oh, yes.~~ At that meeting again that
 6 issue of the finding came up, that the Attorney General
 7 recalled that the finding was mentioned at the January 7
 8 meeting.

9 Q Cooper was telling you this on November 24?

10 A Yes, telling us that. But it was not dwelled upon,
 11 were his words.

12 Q Did Cooper say anything to you on November 24th
 13 about the fact that there had been a finding signed on
 14 January 6, an earlier version?

15 A No, he didn't.

16 Q Did he mention to you on that occasion as to
 17 whether there had been a finding submitted in the fall or
 18 around November, early December of 1985?

19 A No. I found out that there were other possible
 20 findings at the hearing on the 21st when some senators--and
 21 the record will reflect this, Eagleton, I believe--raised the
 22 question about other findings. Apparently, Senate staff had
 23 already started to get information about other findings, even
 24 as early as that.

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1 about even today is the finding of January 17, 1986?

2 A No, I did find out when I was asked to clear boxes
3 of notes and other materials for delivery to this committee
4 about the other findings. I saw them when I went through
5 those boxes.

6 Q I want to be careful on that. You saw a finding
7 that was signed earlier in January 1986, right?

8 A Yes.

9 Q And you saw another finding which had been prepared
10 in or about late November 1985?

11 A Could be, I don't know. I wasn't paying that close
12 attention. I was doing a screening for purposes of [REDACTED]
13 [REDACTED] by transmittal [REDACTED]

14 Q Recognizing that, to your knowledge as you sit here
15 today, Judge, do you know whether there was any finding
16 signed earlier than January 1986?

17 A Do I know that?

18 Q Yes, sir. Do you know whether there was or there
19 wasn't?

20 A I don't. I mean, I couldn't--not of my own
21 knowledge, definitely not, could say that. Even if I saw a
22 document dated before that day I wouldn't know that it was
23 signed before that day.

24 Q Has anyone in the government ever told you whether
25 there was a finding signed prior to January 1986?

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1 A I saw a January--January, anytime in January?

2 Q No, has anyone in the government told you whether
3 there was a finding signed earlier than January 1986?

4 A Earlier than January 1, 1986?

5 Q Earlier than January 1.

6 A No. Anyway, right after that call Cooper wanted
7 to--he called me again. He really wanted to see the notes,
8 and got Charlie to give me the note. And I got the note in my
9 hand, and I read it to him, and he came over and he took a
10 copy.

11 [Discussion off the record.]

12 BY MR. BELNICK:

13 Q Judge, then November 25 came, that was the Attorney
14 General's press conference. And I take it your involvement
15 since then has been in terms of--your involvement in this
16 matter since November 25 has essentially been in terms of
17 responding to requests from the congressional committees and
18 the other investigator in town, the independent counsel, for
19 information, documents and so forth?

20 A Pretty much.

21 Q And counseling the Secretary?

22 A Yes. Well, I helped prepare the Secretary's
23 testimony and I'll be working with the Secretary on his
24 appearance here with the committee. And I occasionally wrote
25 things related to the Iran arms sale.

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1 Q You did have involvement though subsequent to
2 November 25 with the pledge and attempted contribution to the
3 contras from the Sultan of Brunei, correct?

4 A Yes, I did.

5 Q And could you tell us what your involvement was
6 there, what you learned and what you did?

7 A Incidentally, as to the note, I have a note on my
8 copy of the note.

9 Q The Hill note?

10 A The Hill note, that it was sent to the Department
11 of Justice on 11/24 at 11:45 a.m.

12 Q Thank you. Back to the Sultan.

13 A After the morning meeting on December 1st, the
14 Secretary asked me to come into his office, and he asked
15 Charlie to brief me on an operation involving Brunei.

16 And Charlie, in the presence of Elliott Abrams in
17 part, and perhaps when he was out of the room in part, but
18 certainly Elliott was there during much of this. He told me
19 his best recollection and reading from his notes of what had
20 happened with Brunei. And Elliott was there and he also added
21 to the story as we went along.

22 Q You made more or less contemporaneous notes of that
23 briefing you received on December 1, right?

24 A Yes, I made sketchy notes.

25 Q Now this was the first time you had heard about the

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1 Brunei contribution?

2 A Absolutely.

3 Q Prior to then, by the way, had you heard whether
4 any foreign countries had contributed monies to the contras?

5 A No.

6 Q Now in the course of the briefing, I understand
7 that Hill advised you that Abrams had gotten an account
8 number at one point from Oliver North for the deposit of the
9 Brunei contribution, correct?

10 A Correct.

11 Q And did you learn also during that briefing that
12 North had told Abrams when he gave Abrams the number, that
13 Abrams should not tell the CIA that he was getting the money
14 from Brunei, and that Abrams should not use an account
15 number that the CIA had given him?

16 A Yes. Abrams had called the CIA first and had
17 gotten an account number from [REDACTED] And he then got an
18 account number from Ollie North. [REDACTED] notes indicate that
19 that statement was made.

20 Q That North had said to Abrams, don't tell the CIA
21 you're getting the money?

22 A If you wait a moment, I'll tell you exactly.

23 [Pause.]

24 A Yes, he said, Ollie--

25 Q Who is telling you this on December 17

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1 A I think this is Charlie Hill telling me this,
2 presumably in Abrams' presence. That his notes indicated
3 that Ollie said to Abrams, "Don't tell the CIA that you got
4 the money and don't use their number."

5 Q And Elliot then went to Hill and asked, what should
6 I do?

7 A Right.

8 Q And what, Hill tell you that he had told Elliot?

9 A He said, nothing's changed. That is, we're still
10 on track on the Brunei thing. Use Ollie North's number,
11 which Hill felt was the better number to use because it was a
12 direct pipe ^{like} to the FDN, rather than something the government
13 of the United States would actually be holding.

14 Q That's what Hill believed?

15 A Yes, he believed that it would be better, legally
16 better, although he didn't ask me. ~~I believe that~~
17 ~~that was his rationale.~~ I think it was a pretty good
18 judgment on his part in that sense. It would be more direct
19 anyway, as a contribution from Brunei to the FDN, for it to
20 go into an FDN account rather than into a CIA account which
21 would be a U.S. government account. That was his rationale.

22 And then he said, "Don't trust Ollie North."

23 Q This is what Hill told Abrams ^{at the time}, right?

24 A Right, don't trust Ollie North. Tell the CIA.

25 Don't follow Ollie North's instructions. And if we go

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1 through the CIA account, the money is more likely to be
2 handled by the U.S. What we want is a straight transfer.

3 Q But tell--

4 A But tell the CIA, yes.

5 Q So in other words, Hill said to Abrams, don't use
6 the CIA account, but tell the CIA what's going on. Don't
7 listen to North and don't trust North?

8 A Right. As I recall now, Abrams may not have been
9 in the room when Hill told me this, because I have a note
10 here that Hill did not know what Abrams did.

11 Q Did Hill tell you the basis for his instruction to
12 Abrams or his advice to Abrams not to trust Ollie North?

13 A He didn't at that time tell me anything beyond
14 that. But at other times he had indicated to me that he
15 didn't trust Ollie North.

16 Q He, Hill, did not trust North?

17 A Yes.

18 Q And did he tell you why he didn't trust Ollie North?

19 A That Ollie was very aggressive and would do things
20 without telling people. At least he got the impression that
21 Ollie--I got the impression that he thought Ollie was
22 aggressive and might not be telling people everything that he
23 was doing.

24 Q And when did you hear statements like this from
25 Charlie Hill?

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1 A Starting, let's say the winter of '85. As I got
2 more integrated into the department and into the government I
3 learned more about the personalities. And there were times
4 when I would review suggestions by Ollie North for undercover
5 activities in Central America, or for anti-terrorist opera-
6 tions in parts of the world and things of that sort. ~~Some~~

7 Some of these suggestions that he made were irresponsible.

8 Some of them were creative, too. But he certainly
9 was somebody that had to be watched.

10 Q Do you know whether Hill's view during '85-'86 of
11 North was shared by the Secretary of State?

12 A Yes.

13 Q And it was?

14 A I think it was, yes.

15 Q Had you ever heard the Secretary of State comment
16 about North directly?

17 A No.

18 Q But you knew Hill was close to him and believed he
19 was reflecting the Secretary's view as well as his own?

20 A Yes, I think that he was reflecting the Secretary's
21 view. Certainly, Armacost had that view also. He told me so.

22 Q Had Abrams^K ever expressed--

23 A And Abramowitz had that view.

24 Q How about Elliot Abrams^R?

25 A I never had a discussion about ~~Elliot about~~ Ollie

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1 as such ~~at North~~.

2 Q And never heard Abrams express a view on North?

3 A Not that I recall.

4 Q Did you have the perception that Abrams was close
5 to North?

6 A That he had dealings with him, yes. I didn't know
7 how close he was to him.

8 Q Back to Brunei.

9 A He told me during this period--

10 Q Who's that?

11 A Abrams told me during this period, it was around
12 December or so.

13 Q Of?

14 A '86. This was after all this was starting to be
15 revealed. And the question became--these issues of what he
16 knew about North and what-not came up. He told me that he
17 had called Ollie to get money to pay for the return of
18 certain bodies in the Hassenfus shootdown, and that there was
19 no money to move these bodies back in the State Department
20 account.

21 ~~And that he knew~~ that Ollie had access to people,
22 Americans who believed that they had a duty or a patriotic
23 obligation to help in these situations. ~~he said~~ that Ollie had
24 said this would be no problem--several thousand dollars. And
25 he did ask me at the time, I recall, do I see any legal

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1 difficulty with that. ~~■~~ I saw no legal difficulty with
 2 Americans making a contribution to return the bodies of
 3 Americans to the United States.

4 But he was aware that this was a significant piece
 5 of information, and I advised him to pass it on to the FBI,
 6 and I passed it on to the FBI.

7 Q Returning to Brunei, Hill gives you the briefing on
 8 December 1. And does he tell you that the money subsequently
 9 has not arrived so far as the department can tell?

10 A Yes. He did, and Elliot told me that as well.

11 Q What happened next?

12 A He said the whole thing was still in limbo and that
 13 they had received a message from the Sultan that the money
 14 might take some time, and then they gave me all the cables.
 15 I asked for all the cables because this was similar to an
 16 incident that had occurred with the Singlaub contract.

17 Q The Pastora-Singlaub?

18 A Yes, Pastora-Singlaub "contract."

19 Q Between ~~■~~ Pastora and the United States~~ns~~?

20 A Yes. I had been called in on that on the day of
 21 that cable that went down to Ambassador Tambs. And I called
 22 for all the cables, studied that, and I drafted a cable to
 23 Tambs telling him to stop that immediately.

24 Q Which I believe is in evidence as part of our
 25 hearing record.

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1 A Right. And this was another such instance. I
2 called for all the cables, I looked at all of them and I put
3 the story together. And basically went to my White House
4 counsel group, which consists of the White House counsel, the
5 OLC, Assistant Attorney General Cooper, the DOD counsel, CIA
6 counsel when it's an intelligence matter.

7 ~~And~~ I told them about this and I said, we'd better
8 do something--this was the next day--we'd better do something
9 about this money, and find out about it. ~~And~~ I also told the
10 FBI. I called them in--actually they were ~~there~~ in the
11 building interviewing people and all, and I called them into
12 my office and I told them this whole story. I cut out the
13 name Brunei, but I told them the whole story and gave them
14 the cables.

15 Q And that the money was missing or unaccounted for?

16 A The money missing, right. ~~And then a day went by~~
17 ~~the, yes,~~ ~~On~~ Tuesday I got the account number from Nick Platt,
18 and I immediately communicated that to the Department of
19 Justice and to the FBI.

20 ~~And then~~ ~~On~~ Wednesday I started pressing for action
21 and was not getting it. ~~Basically~~ *Rather, I was* getting the message that
22 it would take a long time to put together a request for the
23 Swiss through the normal channels of the Mutual Legal
24 Assistance Treaty, or whatever we had with Switzerland.

~~I~~ I told Arnie Burns that I was very, very

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1 concerned that we would be criticized for not doing something
2 about this money. So on Thursday--

3 Q December 4?

4 A December 4th, I told Charlie Hill that I was going
5 to seek authority to directly approach the Swiss ambassador
6 in Washington, and simultaneously ^{to} send a cable to our
7 ambassador in Switzerland, and ^{to} ask for the freezing of these
8 accounts on an informal basis pending the Department of
9 Justice's action.

10 I got approval for that. I talked to Burns and
11 Mark Richard at the Department of Justice. I got their
12 approval. I talked to White House counsel, I got his
13 approval, and I acted. That evening I went to the Swiss
14 ambassador's residence with my demarche, my official request.
15 I took along the Swiss desk officer.

16 ~~The ambassador was most responsive and communi-~~
17 cated that message to Switzerland. ~~and~~ When I came into work
18 the next morning I was informed that that account and several
19 related accounts had been frozen.

20 Q Judge, prior to the freezing, during the time
21 period when you were getting briefed on this, do you recall
22 that Elliot Abrams wrote or gave you a draft memo that he
23 had written to the Sultan telling him that there's a big
24 problem. He thought the problem was severe. A memo which
25 wasn't sent, as it turned out, because the disclosures came

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1 about in November and overtook the draft?

2 A It was a draft cable, I think, and it wasn't sent.

3 He did give me that.

4 Q And he also gave up the copy of the account number
5 that he had been given by North which went into the safe as
6 well? Did he give you that?

7 A No, he didn't give me that. He had given that to
8 Nick Platt, and Nick Platt gave it to me, or he gave me a
9 copy of it.

10 Q Fine.

11 [Discussion off the record.]

12 BY MR. BELNICK:

13 Q Were there any questions relating to Brunei that
14 you pursued with Abrams on your own?

15 A Yes, I asked him whether there were other countries
16 involved.

17 Q And he answered?

18 A No, except that I did find out about the Country
19 No. 8 radios.

20 Q Radios from a certain country, Judge?

21 A Yes.

22 Q And I've identified for you that on our list that
23 country is Country No. 8, and you agree we're talking about
24 the same country?

A Yes.

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1 Q All right. He told you about the radios involving
2 Country No. 8. Did he tell you whether that solicitation had
3 been made?

4 A Yes.

5 Q Did he say who made it?

6 A He may have told me. I think he did tell me about
7 this.

8 Yes, the Secretary made it.

9 Q And did he tell you that it was unsuccessful?

10 A He may not have told me at that time.

11 Q But he did tell you?

12 A Yes, at some point I found out about it.

13 Q Did he tell you the solicitation was unsuccessful?

14 A Unsuccessful.

15 Q Did you ask--

16 A But he also said then that they briefed the
17 committee about it, the Intelligence Committee, and the
18 committee had approved the purchase of the radios.

19 Q Did you also ask Abrams--and by the way, were you
20 asking these questions when, early December?

21 A December 1st.

22 Q The same time you were briefed?

23 A Absolutely.

24 Q Did you also ask Abrams if--

25 A Well, it might have been later in the day.

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1 Q Yes, but the same day more or less?

2 A Yes.

3 Q Did you also ask Abrams whether there had been any

4 quid pro quo for the contribution of Brunei?

5 A Yes, I did.

6 Q What did he say?

7 A He said there was no quid pro quo other than the

8 gratitude of the U.S. government, that we would appreciate

9 it. And this is one of the reasons we ended up with a

10 country like Brunei that doesn't get any assistance from us.

11 ~~Other~~ Other countries were knocked off the list of

12 proposed countries to approach *because of this factor.*

13 He did tell me that there had been a survey with

14 Murphy, Ridgeway and ~~Sigur~~ *Sigur* the regional secretaries all

15 sat down. ~~I~~ I gather the African regional secretary

16 wasn't consulted because ~~the~~ *not* the relative poverty of the countries

17 there. But these four assistant secretaries were consulted

18 as to ~~which~~ *which* countries should be

19 approached and ~~Murphy and Ridgeway said forget~~ *9* Murphy and Ridgeway said forget

20 it. ~~Sigur~~ *9* or someone came up with Brunei.

21 Q Did Abrams tell you or did you discuss with him

22 how it was going to be insured in some way that the money

23 from Brunei would be used for humanitarian purposes?

24 A Yes, I said that the one basis upon which the State

25 Department might be criticized about this--I said, clearly we

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1 had the authority to solicit the money. And as far as I
2 could tell, it was for humanitarian purposes.

3 The reason for that is, first of all, because the
4 Secretary said that it was for humanitarian purposes and I
5 believe him. And the second thing is that Brunei itself in a
6 cable referred to, "for welfare" or something, and I felt that
7 that was for humanitarian purposes. But ^{I said} ~~say~~ we might still
8 be criticized for not having taken steps to ensure that it
9 would be used for humanitarian purposes.

10 This was a line of criticism that I had considerable
11 skepticism about because money is fungible. And I didn't see
12 any requirement in the legislation that we ~~follow up~~
13 ~~and~~ and make sure that anything that was solicited was in
14 fact used for humanitarian purposes, ^{this is} ~~because~~ a very hard
15 thing to make sure of when you don't have any control over
16 what the contras are doing with other people's money.

17 ~~There~~ There seemed to be two different approaches.
18 Elliot said that he was aware of this issue, and he was
19 determined that once the money was in our hands or came into
20 the account in Switzerland and Ollie told him about it, that
21 he would do something to make sure the money was spent on
22 humanitarian purposes, or we would get some assurances or
23 something would happen.

24 ~~Charlie Hill's~~ Charlie Hill's position was exactly the
25 opposite. That we had no responsibility over that and that

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1 the less we got involved in that, the better. That it was
 2 not appropriate for us to start trying to monitor it, because
 3 if we did try to monitor it, we would have the duty to go
 4 into something that we would not really have the capacity to
 5 follow through on.

6 Q Let me understand. You have the impression that
 7 Hill and Abrams had had that discussion contemporaneous with
 8 the contribution, or that they were having it now?

9 A I got the distinct feeling that Hill's position on
 10 this was formed contemporaneously with the events, and that
 11 that was behind his statement to Abrams to use Ollie's
 12 number rather than the CIA's, because it was a direct
 13 pipeline to the FDN. ~~It~~ that way we did not get involved
 14 and wouldn't be responsible for FDN's use of the money.

15 Q But did you learn whether Hill and Abrams had
 16 exchanged those views contemporaneously with the contribution?

17 A I don't know. Abrams just told me. It may not
 18 even have been in the presence of Hill. But he did tell me
 19 that he was concerned about that issue and intending to do
 20 something about it.

21 Q On December 1, did Abrams tell you about his
 22 testimony on November 25 to the Senate Intelligence Committee
 23 concerning foreign country contributions to the contra cause?

24 A Yes, he told me that the issue had not been briefed
 25 yet to the Senate Select Committee, and that there had been a

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1 hearing the last Tuesday--

2 Q Which was November 25?

3 A Right. And that Bradley had asked whether Abrams
4 had any discussions regarding money from Iran, [REDACTED] (b)

5 [REDACTED] Abrams had said no. And Abrams went on
6 after that, if my recollection is correct--I'm sure of this--
7 to give me the feeling that it had gone beyond that and that
8 he had conveyed an erroneous impression of what had occurred.

9 [REDACTED] I told him that he had to tell the full story,
10 and that he should get back in touch with the committee and
11 tell them immediately what had happened.

12 Q And your recollection is that you told this to
13 Abrams on December 1?

14 A Definitely.

15 Q And did Abrams tell you in the course of indicating
16 to you that he believed he had given the Senate committee
17 erroneous information, did he say to you that he had done
18 that because he felt he wasn't authorized to talk about
19 Brunei?

20 A He definitely said that. I'm confident that it was
21 understood by Charlie and Abrams ^{however} that the Secretary had said
22 to Abrams that Abrams should not reveal the solicitation of
23 Brunei as such. That Brunei, the use of the Brunei was a no-
24 no.

25 Q But it was the use of the word Brunei that they

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1 were asking him not to reveal, correct?

2 A It was that specific solicitation. The fact of a
3 solicitation, the fact that a solicitation had occurred, I'm
4 sure the Secretary would not have intended that [REDACTED]
5 [REDACTED] the committee would not be informed of that.

6 [REDACTED] My sense of it was that Abrams was
7 quite upset that he had--that he felt that he had misled
8 Bradley, and that that was a mistake. [REDACTED] There was no
9 suggestion that he had been authorized to mislead the
10 committee. To the contrary, ^{Abrams seemed to} there was a feel [REDACTED]
11 [REDACTED] a genuine ^{feeling} of remorse, in my judgment.

12 Q You told him to go back to the committee. What did
13 he say?

14 A He nodded. He didn't contest that.

15 Q Did you discuss it with him again thereafter, this
16 issue of his testimony and going back to the committee?

17 A Not really. I didn't go into any detail. I was
18 available [REDACTED] to help him in any way that he might need
19 help.

20 Q But he didn't come back for advice?

21 A No, he didn't, no.

22 Q All right.

23 MR. BELNICK: Tim, do you have any questions?

24 MR. TRAYLOR: No.

25 MR. BELNICK: Terry?

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1 MR. SMILJANICH: No.

2 MR. BELNICK: Judge, on behalf of both committees,
3 the House and the Senate, I want to thank you for your
4 cooperation, and use the occasion also to thank you for the
5 cooperation we've received throughout from your office in
6 this investigation. Thank you for your testimony.

7 THE WITNESS: I appreciate your appreciation since
8 it has taken a tremendous amount of time of my staff. ~~we~~ We
9 have tried to respond on behalf of the Secretary, pursuant to
10 his instructions, to all your needs.

11 MR. BELNICK: I know it has, and as I said, we're
12 all very appreciative of that cooperation. Thank you.

13 [Whereupon, at 5:12 p.m., the taking of the
14 ~~deposition.~~ ^{ended} deposition.]

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I have read the foregoing 91 pages, which contain a correct transcript of the answers made by me to the questions therein recorded.

ABRAHAM D. SOFAER

Subscribed and sworn to before me this _____ day of _____.

NOTARY PUBLIC

My Commission Expires _____.

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CERTIFICATE OF NOTARY PUBLIC

I, PAMELA BRIGGLE, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by the witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.



PAMELA BRIGGLE

Notary Public in and for the
District of Columbia

My Commission expires May 14, 1990.

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NOT FOR THE SYSTEM

United States Department of State

Washington, D.C. 20520

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November 21, 1986

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~~SECRET~~
MEMORANDUM

TO: The Secretary

FROM: L - Abraham D. Sotter *ADS*

SUBJECT: Iran Arms Sales

ISSUE

How to respond to Bud McFarlane's request to speak or meet with you concerning Iran arms transfers.

The Attorney General has informed me that the President has authorized a review of the facts relating to the transfers of arms to Iran, either by the U.S. or by Israel. McFarlane has apparently claimed that he knew nothing about a shipment of HAWK missiles in November 1985, and that he kept you fully informed as to all the details of the operation. He has been interviewed by the A.G., who now wants to interview you on these matters. I recognize that you may want to agree to meet with McFarlane in light of your longstanding professional relationship. He may also be offended if you decline his request. On the other hand, to see McFarlane now, or to discuss any disputed issue of fact with him, could (1) create an appearance that he is coordinating his position with you; (2) lead to misunderstandings between you and McFarlane as to what is said in the meeting; and (3) cause the A.G. to feel that he is not getting your views without any effects that might result from a discussion with McFarlane. Finally, you are in no position to discuss these matters with McFarlane until you have gone over the record.

I therefore recommend that you decline in the manner of your choosing to speak or meet with Bud McFarlane at this time.

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~~SECRET~~

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under provisions of E.O. 12356
By B. Reger, National Security Council

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10. "There may be some misunderstanding of one of my answers tonight. There was a third country involved in our secret project with Iran...."



11. "I was not breaking any law.... I have the right under the law to defer reporting to Congress.. ."

— Serious legal questions arise for two reasons:

a) We knew of and evidently acquiesced in Israeli shipments to Iran months before the January 1986 finding was signed. A central issue is how we square our knowledge and apparent acceptance of such shipments with the fact that, over a year later, we have still not informed Congress of a third party transfer as we are required to do under the Arms Export Control Act.

b) At least one shipment of U.S. arms may have left the U.S. for Iran after August 1986, when Congress passed a law prohibiting all transfers to Iran. While a strong argument can be made that the finding can authorize transfers prohibited by the ASCA's general provisions, that argument became more difficult in the face of the specific prohibition in August.

Finally, while Section 501 of the National Security Act implicitly recognizes some degree of legal authority in the President to control the timing and form of notice of intelligence actions, the delay in this instance — about 11 months — is unprecedented and will be condemned by legislators from both parties.

Overall, this action could lead to further restrictions on the President's legal authority.

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[REDACTED]

9. "We said that we did not want to do business with any nation that openly backed terrorism. There has been evidence of a lessening of terrorism on the part of Khomeini and his government."

—Although one may be able to argue that Americans were not as intensely targeted by the Iranians during 1985 as they were formerly, there is no doubt that Iran has not reduced in any way its support for international terrorism and our friends and allies, as well as the three oil-producing nations, continue to suffer.

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6. "There is a mistaken perception that we have been exchanging arms for hostages."

— It is very clear to the Iranians that we were exchanging arms for hostages. McFarlane informed the Secretary that Kinche reported that hostages would be released on November 20, 1983 and that Israel planned to fly 100 Hawk missiles from Israel, and subsequently to Iran if the hostages were released. (In the event, the shipments were sent via a CIA proprietary and were delivered to Iran despite the fact that no hostages were released.)

— On several occasions, McFarlane and Poindexter described the operation to us, and Ollie North described it to others, as being arms for hostages, and in some cases as money for hostages. Every time a hostage was released, it was preceded by a shipment of arms to Iran. Regardless of our statements to the contrary, we are convinced that the Iranian leadership believes that it was involved in arms-for-hostages exchanges.

7. "Key Cabinet members were consulted throughout, and our policy objectives were never in dispute."

— This is not true. The Secretary of State was told on at least four occasions that the operation was completely turned off. The last such time was in June of this year. The Secretary was never shown the findings; he was not informed of McFarlane's trip to Tehran, and he was unaware of the CIA role in transferring these weapons. Both the Secretaries of State and Defense were firmly opposed to the supply of arms and continued to make their opposition known to the President.

8. "If there had not been so much publicity, we would have had no more than we were expecting."

The Iranians with whom we were dealing never fully delivered us any of their commitments, and they would not have done so even if it was in their interest to obtain several hostages as insurance. This was proven when Iranian-controlled groups recently picked up three more Americans in Lebanon.

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1. "We found some individuals (in Iran) that it might be possible for us to deal with.... There are factions within Iran."

-- These with whom we were dealing were unscrupulous and untrustworthy. They are advocates and practitioners of that very scourge we are fighting elsewhere in the world -- terrorism. Our two primary contacts for the operation were Gorbanifar and [REDACTED]

-- Gorbanifar had been rejected by the CIA as a contact since, after several polygraphs, they concluded he was a "habitual fabricator" who could not be trusted.

-- On November 16 [REDACTED]

2. "We did not condone and do not condone the shipment of arms from other countries.... We have had nothing to do with other countries or their shipment of arms or doing what they're doing."

-- As your subsequent clarification notes, we knew that Israel was shipping weapons. In a July, 1985 discussion with Bud McFarlane, Israeli MFA Director General David Kimche directly sought U.S. approval of Israeli arms transfers to Iran. I am told Bud did not sanction such shipments but said that the U.S. would not stop selling arms to Israel if a transfer occurred.

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(1320)
Sofac Ex #5

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- In light of the decision not to ship any more arms to Iran, would it be useful to consider other channels for continuing our effort to develop better ties?

The administration has engaged in policy which had great risks to the credibility you established. Many legal questions raised in the process. Possibly harmful changes may result in relevant laws, even if actions not demonstrably unlawful.

But these are not the most serious concerns. We can get through claims of illegality, but not through any dissembling. We need to be sure no one mistakes the facts. Further, this Administration has done well at restoring confidence of American people, especially in our foreign policy. This confidence should be preserved to the extent possible.

To accomplish these ends, we must consider the extent to which the President may be vulnerable, not merely on account of the arms sales which were approved, but also because of other actions which were not approved.

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November 21, 1986

To: Nick ~~Platt~~
 Charlie Will
 Jerry Bremer
 Arnie Rafael

From: Abe Sofaer

Subject: Memorandum of Points Concerning Arms Transfers to Iran

The memo we have prepared is indispensable in that it contains useful material for the Secretary. We need also to prepare, however, a set of points more appropriate for him to use with the President. The Secretary is not interested in criticizing the President, and the memo is presently written in a form that could be so construed. The memo also seems too concerned with defending both the Secretary and the Department; that is not an approach that is likely to succeed. We need to change the memorandum's format, or to provide a separate set of points by which the memorandum's substance can be conveyed so as to advance the Secretary's aims. In the process, we may find that, while all the points collected are valid some should be deferred as untimely or potentially counterproductive.

The President is presently under great pressure, and is still learning about some aspects of the question. He needs to feel we are his loyal troops, working to protect him from the dangers this operation has created. Timing is therefore a matter of crucial importance. The Secretary will be far more effective if he defers the broader, institutional reforms he may be seeking until after the present crisis has abated. Time is on his side on those issues. The type of help the President needs in the short run is in attempting to prevent further damage to his credibility. This is a formidable challenge, since some of his closest former and present advisors may have an interest in avoiding a full and truthful exposure of their activities. Yet, such exposure should be the Secretary's highest priority. The facts will demonstrate the Secretary's points, over time, but in a way that the President is most likely to accept. In general, I suggest an approach that asks rather than instructs, that exposes facts rather than asserts conclusions, and that allows the President time to see what is in his best interests rather than makes demands based on our own, already well-formed conclusions. We will need to work carefully, and with the Secretary's guidance, to convert these thoughts into talking points. But here are some preliminary ideas:

- We have a variety of problems, some more urgent than others. My main, present concern is to ensure that no one who acts or speaks for the Administration misleads us or the public as to the true facts.

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Sofaer Ex. #4

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- Would it be useful to have a systematic collection of all the evidence available? Congress will soon be out of session. This will provide an opportunity to develop a relatively full account of what occurred.
- Some disputes as to the facts have already arisen, even within the Administration. What can we do to ensure that we do not embarrass the Administration by taking positions that may later be proved wrong? Perhaps an interagency group under the AG's control should be formed to ensure that we know what each of the players did.
- We cannot avoid a proper inquiry. [REDACTED] we also have recordings of meetings with the Iranians. They should be analyzed now, rather than later under the pressure of legislative scrutiny. The records kept at the NSC are particularly important. All diaries, memcons, and other materials should be collected and a thorough chronology prepared. Of course, this includes any materials in Bud's possession.
- Congress and the press are focussing a lot of attention on legal issues. Of course, the AG's position is a great help, and we will do everything possible to support it. But does it cover all the problems? My understanding is that the AG's opinion relates to the legality of activities pursuant to the Finding. What about prior activities? Also what about activities after the prohibition on transfers to Iran in August 1986?
- The issue of notification is less a legal than a practical, political problem. We have delayed notice of arms transfers both before and after the Finding, for unprecedented periods. We must work to make the strongest case possible to justify the delay, and to avoid alienating potential supporters in Congress.
- How should we deal with claims that our foreign policy apparatus is in disarray? We should not appoint any panel of wise men to decide how to allocate foreign policy functions. But shouldn't we do some thinking of our own?
- In particular, should we not evaluate the premises on which this arms transfer plan was adopted? Many of them seem questionable. (Add discussion of specifics.)

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To: ~~William D. Webster~~, CIA

From: P - ~~Michael Ansant~~
L - ~~Alvin D. Sifer~~

We wanted to bring to your attention the fact that your final testimony deleted references to the fact that shipments of arms to Iran were carried by Southern Air Transport (SAT) ^{- such was a letter draft}. Dave Gries disagreed with that ~~the~~ SAT is not a proprietary, and has no connection to the Agency. We are concerned, however, that members of Congress may improperly infer that not a connection exists ~~for~~ the ~~fact that~~ the information ~~is~~ is withheld. We ^{to write,} suggest a letter or some other appropriate means of communication be adopted, to pass on this information, along with any statement you may care to make.

~~Delivered to Gries - and he is a member - and he is not in charge of it - it is their hands.~~

- meeting CIA to discuss Iranian issue.

(1318)

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204er Ex. #3

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~~SECRET SENSITIVE~~

Other facts that Poindexter communicated include:

-- The USG shipped a total of 2008 TOW missiles and 240 line items (spares, etc.) for Hawk air defense batteries (which U.S. experts believe have proved useless).

-- The USG got agreement from Iran [REDACTED] (Poindexter believes this diversion has in fact occurred.)

-- The payment chain went from Iran to Gorbaniyar to Israel an arms merchant to a "proprietary" to the CIA to DOD. (Poindexter knows only what was paid to the CIA and DOD; he is sure the arms merchant took a profit and therefore does not know how much Iran paid.)

-- The NSC states it kept no memcons of any of the relevant meetings. Some tape recordings of meetings with Iranians do exist. Sofaer asked that they be transcribed promptly.

-- At least one contact has been made after public exposure of this channel. The Iranians have indicated that they are still trying to get the release of the two remaining U.S. hostages and to find out the location of the three U.S. hostages most recently seized.

-- Poindexter believes the USG should continue to pursue the objectives of the finding, but did not say anything about future arms transfers. He said the effort was now less tightly held, so the Department could be involved to a greater extent.

-- Armacost and Sofaer emphasized the need to prepare all witnesses carefully and to answer all questions, especially those related to activities prior to January 17, truthfully.

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-- The direct linkage between Israeli and U.S. supply is shown by the fact that, in early 1986, we supplied 508 TOWs to Israel to replace those it had sent to Iran in September 1985.

-- Bill Casey's testimony for tomorrow reveals that in November 1985 the CIA helped Israel transfer Hawk missiles by Israel to Iran at the NSC staff's request. Shockingly, the NSC staff denies having made this request.

-- The NSC staff has apparently arranged that Southern Air Transport carry many of the arms to Iran. The CIA says this is no longer a proprietary. It is noteworthy, however, that it is the same airline on which Haganfus and others carried arms to the Contras. This will undoubtedly complicate our efforts to support the Contras.

3. "The mission was served that made us waive temporarily for that really miniscule amount of spare parts and defensive weapons.... The so-called violation did not in any way alter the military balance between the two countries."



4. "Iran does not own or have authority over the Hezbollah.... The Iranian government had no hostages, Iran held no hostages."

-- Without any qualification, Hezbollah is a creature of the Government of Iran, and Iran is its main banker, patron, arms supplier, and adviser.

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— Hizbollah was established in 1982 in Lebanon by Iranian Revolutionary Guards..

— The Revolutionary Justice Organization (RJO) has claimed credit for the kidnapping of two of the last three American hostages. The kidnapping of the third was claimed by the Islamic Jihad Organization, an Iranian-controlled entity.

— We are convinced that Iranian-controlled groups in Lebanon have concluded that it is in their interest to kidnap additional Americans because, whatever we say, America does pay ransom.

3. "Our purposes were...to bring a negotiated end to the Iran-Iraq war."

—Opening a channel of communications to Iran could hasten that end. The supply of arms, even in the context you described, will only make Iran more intransigent and more set on prosecuting the war. The Iranian leadership is convinced it has managed a major breakthrough, and other arms suppliers will now disregard Operation Staunch efforts. Everyone with experience in Iran and dealing with Iranians firmly believes that we have lengthened the war because of the psychological and political boost we have given to those who successfully got arms out of us. In a November 20 speech, Ayatollah Khomeini has told his nation that the "Black House" representatives "presented themselves weakly and humbly at the door of this nation, wishing to establish relations. They wish to apologize for their mistake, but our nation rejects them."

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UNCLASSIFIEDMEMORANDUM OF CONVERSATION

Participants: ~~SECRET~~ Admiral Poindexter
 NSC Attorney Paul Thompson
 Under Secretary Armacost
 Judge Sofaer

Place and Time: Admiral Poindexter's Office
 November 18, 1986, 6:00 - 7:30 p.m.

Subject: Iran

At 6 p.m. November 18, Messrs. Armacost and Sofaer met with Admiral Poindexter and Mr. Thompson. Poindexter presented a review of some of the facts concerning USG arms transfers to Iran. Although from time to time Poindexter referred to a document that appeared to be a chronology, the presentation was not strictly chronological. Armacost and Sofaer interrupted periodically with questions. The following outline emerged:

1. June 1985. The idea of opening a channel to Iran was expressly considered in connection with (a) an NIE describing increasing internal turmoil in Iran and Soviet efforts to exploit it and (b) a proposed NSDD that suggested the use of arms sales as part of a strategy of dialogue.

Both Defense and State formally expressed their opposition to this portion of the strategy.

2. July 1985. Israeli MFA Director General David Kimche visited the U.S., met with McFarlane, and proposed to him that the U.S. allow Israel to transfer a quantity of arms to Iran to facilitate the establishment of a channel to an authoritative Iranian, [REDACTED]

[REDACTED] and Menachehr Gorbanifar, who might be useful in helping get the release of U.S. hostages. [REDACTED] was to be the channel for policy; Gorbanifar the channel for hostage issues. McFarlane expressly refused to sanction such a shipment and made it clear that the U.S. would not trade arms for hostages. He did, however, express a strong interest in establishing a channel to Iran, and in response to a question he opined that the USG would not stop selling arms to Israel if a transfer occurred.

McFarlane apparently informed the President of this action.

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-- USG gpe-agreement from Iran [REDACTED]

[REDACTED] Poindexter believes this has been done.

-- Israel agreed to ship only what the USG allowed, but Poindexter believes Israel has snipped what it wanted to ship, though such shipments may now be suspended or slowed;

-- Iran paid in advance for these shipments to Israel, which paid the USG through a "proprietary". Poindexter is sure that the arms merchant took his profit, but does not know how much was paid by Iran, only how much was paid to the CIA and DOB;

-- NSC kept no memcons of any of the meetings involved, Poindexter said. Some recordings do exist, however, of meetings with Iranians. (Sofaer asked that they be transcribed promptly.)

-- At least one contact has been made after public exposure of this channel. The Iranians indicated they were still trying to obtain the release of two remaining American hostages, and to find out the location of the three hostages most recently seized;

-- Poindexter believes the USG should continue to pursue the objectives of the finding, but did not say anything about future arms transfers. He said that the effort was now less tightly held so State could be more involved.

-- Armacost and Sofaer emphasized the need to prepare all witnesses carefully, and to answer correctly all questions, especially those related to activities prior to January 17.

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6. January 14, 1986. The President signed a finding on Iran. (Poindexter showed it to Armacost and Sofaer.) It is carefully drafted; it stresses the strategic issues and mentions the return of the hostages as the third objective being sought.

7. February-April 1986. Meetings took place between representatives of the U.S. (NSC and CIA), Israel, and Iran [redacted]. The Iranians with whom the U.S. was in touch were young; they claimed that the U.S. needed to demonstrate the tangible benefits they would derive from dealing with the U.S. through arms transfers, including TOWs.

The U.S. periodically gave the Iranians intelligence [redacted]

Additional shipments of arms were also provided during this period, specifically 1000 TOWs to Iran and 508 TOWs to Israel to replace the September 1985 shipment.

8. May 1986. McFarlane visited Tehran and attempted to establish higher contacts. He eventually met advisers of the leadership, but none of the three top leaders was willing to meet him. The Iranians wanted the meetings, but failed to prepare for the visit. (Poindexter attributed the disappointing results of the trip to Iranian disarray. He gave Armacost a copy of the talking points prepared for McFarlane's use in Tehran.)

9. May-November 1986. Discussions and other activities continued. (Thompson had told Sofaer earlier in the day that at least one shipment of arms may have reached Iran after August 1986, when Congress passed a law prohibiting all transfers to Iran.) The operation became public when an Iranian faction sought to embarrass Rafsanjani [redacted]

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~~TOP SECRET~~
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3. September 1985. Israel transferred 508 TOW anti-tank missiles to Iran. It is not clear what understandings there may have been with respect to USG replacement of equipment shipped by Israel to Iran.

88. A meeting was held in the President's quarters to discuss the issue, with Secretaries Shultz and Weinberger present. Both objected to such arms transfers, citing, inter alia, legal obstacles.

The NSC subsequently asked Attorney General Meese to review the legal issues.

4. October-December 1985. Meetings occurred in London and elsewhere between McFarlane, CIA and NSC officials, Iranians, and Israelis, at least initially to check out the bona fides of [redacted] and Gorbaniyar, a second Iranian channel. Prime Minister Peres chose his counter-terrorist coordinator, Aviram Nir, to represent Israel. These discussions made clear that the September transfer had potentially opened a channel for the U.S. to [redacted] who actually attended a December meeting with McFarlane in London. (Poindexter told Armacost he was unsure whether the Israeli initiative reflected their desire to be helpful or their search for sanction for their own arms shipments. Israel agreed to ship only what the U.S. asked it to, but it is likely it shipped whatever it wanted. The NSC assumed it couldn't verify Israeli activities and sought therefore to harness them to its own "project.")

At the December meeting, McFarlane laid out U.S. objectives. [redacted] told him that Iran could stop hostage-taking and that Khomeini had issued a Fatwa (religious pronouncement) to the effect that terrorism is inconsistent with the Koran. (No one has been able to corroborate whether such a document was actually issued.)

January 1986

5. December 1985. A meeting was held in the President's quarters with Weinberger, McFarlane, and Meese in attendance. (Poindexter was unclear as to whether Shultz was present). The President heard a report on the project, as well as all views, and was told by Meese that he could lawfully proceed with the plan as a covert intelligence operation. The President decided to proceed and ordered the preparation of a finding.

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MEMORANDUM OF CONVERSATION

On 18 November 1986, at 6:00 p.m., Armacost and Sofaer attended a meeting with Adm. Poindexter, at Poindexter's request, in his office. NSC attorney Paul Thompson also attended. Poindexter presented a review of some of the facts of USG arms transfers to Iran. Although Poindexter referred from time to time to a document that appeared to be a chronology, the presentation was not strictly chronological, and was interrupted periodically by questions from Armacost and Sofaer. The following outline emerged:

1. June 1985. The idea of opening a channel to Iran was expressly considered in connection with a proposed NSDD which included arms sales as a strategy. (DOD and State opposed arms sales.)
2. July 1985. Kimche visited the U.S. and proposed to McFarlane that the U.S. allow Israel to transfer some arms to Iran in order to establish a channel to [redacted] McFarlane refused expressly to sanction such a shipment, and made clear that the U.S. would not trade arms for hostages. He did express a strong interest, however, in establishing a channel to Iran, and in response to a question he opined that the USG would not stop selling arms to Israel if a transfer occurred. He apparently informed the President of this action.
3. September 1985. A transfer of 508 TOW anti-tank missiles occurred from Israel to Iran. A meeting was held in the President's residence, at which Secretary Shultz was present to discuss this issue. GPS and Weinberger objected, and raised legal obstacles to arms transfer.
4. October-December 1985. Meetings occurred in London and elsewhere between Casey, other CIA officials, NSC personnel, Iranians, and Israelis. Peres chose Nir to represent Israel. These discussions made clear that the September transfer had potentially opened a channel for the U.S. to [redacted] who actually attended a December meeting with McFarlane in London. At this meeting, McFarlane laid out USG objectives, and was told by Goranifar that Iran could stop hostage taking, and that Khomeini had issued a Fatwa (pronouncement) that terrorism is inconsistent with the Koran.

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Originally Declassified/Released on 24 April 1997

Under provisions of E.O. 12356

by S. Regier, National Security Council

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5. December 1985. A meeting was held at the President's residence, attended by Weinberger, McFarlane, and Meese. (Poindexter was unclear as to Secretary Shultz's presence.) The President heard a report on the project, as well as all views, and was told by the Attorney General that he could lawfully proceed with the plan as an intelligence operation. The President decided to go ahead and ordered a finding prepared.

6. January 17, 1986. A finding on Iran was signed. (Poindexter showed it to Armacost and Sofaer. It is well drafted, and stresses the strategic issues, mentioning the return of hostages as the third objective being sought.)

7. February-April 1986. Meetings took place between representatives of the U.S. (NSC, CIA), Israel, and Iran. The Iranians with whom the U.S. was in touch were young and claimed a need to demonstrate through arms transfers (specifically including TOWs) that they were dealing with the USG. The U.S. periodically gave the Iranians intelligence.

Additional shipments of arms were also provided during this period, specifically 1000 TOWs, plus 500 TOWs to replenish Israeli shipment in September 1985.

8. May 1986. McFarlane visited Tehran and attempted to establish higher contacts. He met advisers of the leadership, but none of the three top leaders was willing to meet him. The Iranians wanted the meetings, but failed to prepare for the visit. (Poindexter gave Armacost a copy of the talking points prepared for McFarlane's use in Tehran.)

9. May-November 1986. Discussions and other activities continued. (Thompson had told Sofaer earlier in the day that at least one shipment of arms may have reached Iran after August 1986, when Congress passed a law prohibiting all transfers to Iran.) The operation became public when an Iranian faction sought to assassinate Raisanahi.

Other facts communicated by Poindexter including the following:

-- USG shipped a total of 2008 Tow missiles, and 240 line items (spares, etc.) for Hawk air defense batteries (which U.S. experts believe will prove useless);

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COPY NO. 1 OF 2

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DEPOSITION
COLONEL JAMES J. STEELE, USA

Tuesday, April 21, 1987

Select Committee on Secret Military
Assistance to Iran and the Nicaraguan
Opposition,
United States Senate,
Washington, D.C.

Partially Declassified/Released on 1/28/92
under provisions of E.O. 12958
J. B. Rager, National Security Council

The deposition convened at 9:00 a.m. in the Select
Committee's secure conference room, Hart Senate Office Building.

Present: Mark A. Belnick, Executive Assistant to the Chief
Counsel, Senate Select Committee; Clarence H. Albright, Jr.,
Associate Counsel, Senate Select Committee; Roger L. Kreuzer,
Investigator, House Select Committee; Dan Finn, Associate
Counsel, Senate Select Committee; John D. Saxon, Associate
Counsel, Senate Select Committee; Richard J. Leon, Staff Counsel,
House Select Committee; Arthur L. Liman, Chief Counsel, Senate
Select Committee; and Thomas Polgar, Associate Counsel, Senate
Select Committee. Also present: Robert J. Winchester, Special
Assistant to the Secretary of the Army and Colonel John K.
Wallace, U. S. Army

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Declassified on 12/27/97
 Under provisions of E.O. 12958
 J.D. Rogers, National Security Council

EXAMINATION

- 2 BY MR. BELNICK:
- 3 Q Colonel, would you state your full name for the record,
- 4 please.
- 5 A James John Steele
- 6 Q And you are an officer in the United States military?
- 7 A That's right.
- 8 Q Your rank?
- 9 A Colonel.
- 10 Q What's your current assignment, sir?
- 11 A I'm presently assigned to the Nuremberg Military Command in
- 12 Germany.
- 13 Q And what was your assignment immediately before undertaking
- 14 your present one?
- 15 A Well, I was the ^{MILGROUP} Nuremberg Commander in El Salvador from May,
- 16 actually June of 1984 until the first November of 1986.
- 17 Q Where were you headquartered in that capacity?
- 18 A San Salvador
- 19 Q At the American Embassy?
- 20 A That's correct.
- 21 Q To whom did you report at the Embassy?
- 22 A Ambassador Corr, and prior to that his predecessor,
- 23 Ambassador Pickering.
- 24 Q Did you have reporting responsibility to anyone in
- 25 Washington, DC?
- 26 A Reporting responsibility? Let me answer the question this

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1 way. I was, I had responsibilities to the Ambassador to
2 CINCSOUTH, to the Director of DSAA, and I suppose also to the
3 Joint Chiefs in the Army Staff. MILGROUP Command is not a clear-
4 cut type chain of command. I certainly had responsibilities to
5 answer to Department of State and, on occasion, the NSC.

6 Q Who was your immediate superior military officer in the
7 chain of command?

8 A That would have been General Warner, initially, then General
9 Taylor; the CINC head put them in charge of Central America.
10 However, in both cases with General Gorman and with General
11 Galvin. They took a particular interest in El Salvador, so I
12 found myself dealing directly with them I would say a good bit of
13 the time.

14 Q What was General Gorman's position in the military during
15 your assignment at El Salvador.

16 A He was the Commander-in-Chief, SOUTHCOM

17 Q Where was he stationed?

18 A Panama.

19 Q Did you know a gentleman who used the name Max Gomez while
20 you were ~~commander~~ commander of the MILGROUP in El Salvador?

21 A Yes.

22 Q What was the other, what was his real name?

23 A Felix Rodriguez.

24 Q When did your first meet Mr. Rodriguez?

25 A I don't recall the exact date, but it would have been
26 probably in the Spring of 1985.

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1 Q Do you recall how you met him? How he came to your
2 attention?

3 A Yes.

4 Q Would you tell us?

5 A I first heard about him from I believe from General
6 Bustillo, the Commander of the Air Force in El Salvador. Then
7 later from General Blandone, the Chief of Staff of the Salvadoran
8 Armed Forces. Felix Rodriguez had met with them while they were
9 on subsequent trips to Washington and had offered to come down
10 and assist the Salvadoran Military fight against the guerrillas.
11 And I met him when he did come down, again the date I don't
12 recall, but it would have been the Spring of '85, and sat in on a
13 meeting with then Ambassador Pickering. That's my first
14 recollection of meeting him.

15 Q The meeting with you, Ambassador Pickering and Rodriguez was
16 held at the American Embassy?

17 A Yes.

18 Q Was anyone else at that meeting?

19 A Not that I recall.

20 Q Had you heard prior to that meeting that Mr. Rodriguez had
21 been a employee of the Central Intelligence Agency?

22 A Yes.

23 Q From whom did you hear that?

24 A From Ambassador Pickering.

25 Q And what else did Ambassador Pickering tell you prior to the
26 meeting about Rodriguez?

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1 A He had told me that Rodriguez was, wanted to come down, and
2 that he had made it fairly clear to me that he wasn't real
3 enthused about it, nor was I, quite frankly, because we're
4 talking about a kind of a, sort of a, loose cannon--someone who
5 really didn't seem to work for anyone. And that one of the
6 things that Ambassador Pickering said was that he wanted Felix
7 Rodriguez to talk to then, to ^{the CINC} General Gorman before he came,
8 and I guess get Gorman's opinion as to whether he ought to come
9 up or they ought to try to discourage him.

10 Q Did Ambassador Pickering ask you to do anything in that
11 regard?

12 A I don't think so. I think he made a call himself to General
13 Gorman, although I'm not sure about that. In any case, Felix
14 Rodriguez did go to SOUTHCOM prior to coming up and had talked to
15 Gorman.

16 Q Did you understand that Felix had a sponsor in
17 Washington, DC?

18 A Well, maybe a sponsor is not the right word. But he had a,
19 there was a fellow named Don Gregg who was a friend of his, who
20 spoke very highly of him, I guess is the best way to put it, and
21 Ambassador Pickering did mention that.

22 Q And you knew that this fellow named Don Gregg was then
23 Assistant to the Vice President of the United States for National
24 Security Affairs?

25 A At the time I didn't, I knew he was somewhere up there in
26 the stratosphere, but I didn't....

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- 1 Q You came to know that Gregg had that position?
- 2 A Yes.
- 3 Q Alright.
- 4 Q Now again, can you tell us to the best of your recollection
- 5 when the meeting was among you, Rodriguez, and Ambassador
- 6 Pickering at the Embassy?
- 7 A March '85.
- 8 Q Prior to that, do you remember sending any messages to
- 9 General Gorman about Felix Rodriguez?
- 10 A I didn't send any messages. I had a conversation with
- 11 General Gorman at some point. I don't recall whether it was on
- 12 the telephone or it was in person. He also, quite frankly, had
- 13 reservations about Felix Rodriguez.
- 14 Q Did Ambassador Pickering, to your knowledge met with
- 15 Rodriguez about Rodriguez's potential assignment in Salvador
- 16 before the meeting among the three of you?
- 17 A My impression was no.
- 18 Q Colonel, what was the backchannel for communicating to
- 19 General Gorman?
- 20 A Well there were several ways: one, you could pick up a
- 21 telephone, a classified phone and call him and there was, for the
- 22 Ambassador, he certainly could send in effect a backchannel
- 23 message to him.
- 24 Q Did you ever send backchanneled messages to General Gorman?
- 25 A It's possible, it's possible--rarely though, if I did.
- 26 Q Do you have a secretary named Bette Silva.

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1 A Yes.

2 Q Was she your secretary the entire time of your assignment in
3 El Salvador?

4 A No.

5 Q When was she your secretary?

6 A Gosh. I would guess--I'd have to go back and check, but she
7 was there the last 8 months maybe; 2 years.

8 Q Would you mark this document as Steele Exhibit 1 for
9 identification, please?

10 Q Alright, Colonel, for the record the document now marked as
11 Steele Exhibit 1 is a 2-page document; the first page of which is
12 typed on the letterhead of U.S. Military Group El Salvador dated
13 1 February '85. Is that your signature on the document where it
14 says Steele.

15 A Yeap.

16 Q On the second page of the Exhibit appears to be a typed
17 message. Do you recognize this document, Colonel?

18 (Pause.)

19 A There's no reason to believe that it isn't accurate. I
20 don't remember, you know, the details of the message, except I
21 think it is consistent with what I just told you.

22 Q Well, the top page is a memo from you to Ambassador
23 Pickering reading, "Per your guidance, attached is a draft
24 backchannel to Gen Gorman on our "no pay" mercenary." What did
25 you mean by "draft backchannel"?

26 A Well, as I recall, I knew that Ambassador Pickering had

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1 conferred with the CINC about this. I didn't remember this
 2 specific backchannel message, but it's consistent with the
 3 guidance I recall getting from Ambassador Pickering, which was to
 4 put together, in this case, probably to put together a message
 5 for him that said he had some concerns about it and he wanted
 6 Rodriguez to talk to him before he came.

7 Q Who was the CINC at that time?

8 A General Gorman

9 Q Now, what is a backchannel? Let me refine the question.
 10 What did you mean in this memorandum when you said that this was
 11 a "backchannel to General Gorman?"

12 A Only that it was a message that was to go to him only, and
 13 not to everyone on the staff.

14 Q And how was it to go to him?

15 A To be sent out over the wire.

16 Q And why did you intend that it be sent as a backchannel?

17 A Well, I think because, probably because that was the
 18 guidance I got from the Ambassador, but I don't remember it. I
 19 don't remember exactly what he said, but it's very common for
 20 Ambassadors and Generals to talk to each other through what is
 21 referred to as backchannel messages, and this wasn't anything
 22 particular.

23 Q Do you recall receiving a response to this message from
 24 General Gorman?

25 A No.

26 Q There was, do you recall General Gorman telling you that

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1 Rodriguez's primary interest would be in assisting the Nicaraguan
2 Resistance when he got to El Salvador?

3 A No.



13 Q Let's mark this next document as Steele Exhibit 2.

14 (Pause)

15 Now, Colonel, I apologize for the quality of the printing on
16 Steele Exhibit 2, but it's the best copy that we have. Steele
17 Exhibit 2 for the record is a 1-page copy of what appears to be a
18 telex or cable message from General Gorman to Ambassador
19 Pickering and Colonel Steele in February of 1985. In the upper
20 right-hand corner of the copy it says, "File for me" and there is
21 the initials S. Did you write that, is that your handwriting?

22 A Yes.

23 Q That's your S.

24 A It sure is.

25 Q Okay. Now why don't you take a moment to look at this
26 message, apologizing for the quality of the copy, and see if it

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1 refreshes your recollection as to what you heard back from

2 General Gorman about your ^{"no pay"} ~~note~~ pay mercenary."

3 (Pause)

4 A Well, I don't remember the memo, but it certainly appears to
5 be accurate.

6 Q Alright, and do you see in this message from General Gorman
7 to you and Ambassador Pickering, it states, "Rodriguez's primary
8 commitment to the Region is in [REDACTED] and he wants to assist
9 the FDN." Do you see that?

10 A Yes, I see that.

11 Q Seeing that, does it refresh your recollection that that is
12 what General Gorman told you about Rodriguez's commitment to the
13 Region?

14 A Well, that's what the message says. I mean it was very
15 clear to me though that after Rodriguez got there, that that was
16 not his primary commitment.

17 Q We'll get to that in a minute.



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[REDACTED]

My job was El Salvador--it was the largest program in the hemisphere. You know, I probably read 50 messages a day and so the answer is no, I don't remember this specific message, you know, but that's not to say that it isn't accurate. And that certainly is not to contradict what General Gorman said, but I'm just telling you that I don't remember the message specifically.

Q At that time in February 1985, you knew that Congress had prohibited American military aid to the Nicaraguan Resistance, right?

A Let's see. Well, I don't remember the exact dates where we went from a not giving them any military assistance to giving them non-lethal kinds of assistance. But at some point there was a change there.

Q Do you recall if I ^{represent to you that as} of October 1984, what's known as Boland Amendment II came into effect and all American aid was banned and then sometime in 1985, late '85, there was humanitarian aid. But during this period, February 1985, American military aid was prohibited. Does that refresh your recollection?

A Military aid, in you mean lethal aid?

Q Um-hum, lethal aid, yes.

A Yea.

Q Yes. Alright. And General Gorman was telling you in this message that Felix Rodriguez, who you had told him in a draft

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1 cable had high-level contacts at the White House, Department of
2 State, and Department of Defense, was coming down committed to
3 assisting the Nicaraguan Resistance. Isn't that something that
4 would have stood out in your mind at that time, in light of the
5 Congressional prohibition?

6 (Pause)

7 A Well, I'm not quite sure how to answer the question except
8 to say that the whole Felix Rodriguez thing was sort of a unique
9 arrangement, and I didn't feel as though I was trying to train
10 him on this thing. The idea was for him to talk to the CINC and *me* to
11 talk to the Ambassador before we did anything that related in any
12 sort of official contact with Felix Rodriguez.

13 Q Weren't you assigned to monitor Rodriguez's activities once
14 he got to El Salvador?

15 A Yes, in a sense I was.

16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]

20 Q During that time wasn't the American Embassy and the
21 Military Group providing Rodriguez with logistical and
22 administrative support?

23 A Of a limited nature. Mostly designed around his personal
24 security.

25 Q And on whose orders were you doing that?

26 A Whose orders. Certainly the Ambassador was aware of it. I

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1 mean I'm not trying to shirk the responsibility for what I did,

2 no.

3 Q But Ambassador Pickering was aware of it?

4 A I don't know what exactly Ambassador Pickering was aware of

5 as far as Felix Rodriguez. I know Ambassador Corr knew that he

6 had, for example, he had an Embassy radio in case he had a

7 problem.

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1 Q [REDACTED]

2 A [REDACTED]

3 Q Alright. Did you understand from this message that, to the
4 extent we can read it if you look at the same part of the telex
5 that talks about Rodriguez's primary commitment, that you were
6 being asked to put Rodriguez in touch with that unit, or to make
7 him aware of its capabilities in connection with Rodriguez's own
8 commitment and interests?

9 A Yea, but, again, you know that organization didn't have any
10 responsibilities that I was aware of that went outside of El
11 Salvador that had anything to do with the Contras.

12 Q Well, let me ask you this...

13 A That was [REDACTED] that probably aligned very closely
14 to the kind of thing that Rodriguez had done in Vietnam [REDACTED]

15 [REDACTED] was
16 the ideal kind of unit to follow-up on an operation like that,
17 and I think that's the reason why he suggested he get linked up
18 with them; and I did that.

19 Q Let me just ask that this next document be marked as Steele
20 Exhibit 3. This document, for the record, is a 2-page
21 backchannel message and appears to have come from Ambassador
22 Pickering. And again, Colonel, is that your handwriting
23 indicating that you wanted this document filed for you?

24 A Yes.

25 Q Alright. Take a moment please to look at the message and

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1 see if you recall it at all. Were you at this meeting between
2 Ambassador Pickering and Rodriguez--is this the meeting you
3 referred to before?

4 A This is the meeting I referred to.

5 Q Now looking at that, plus whatever you independently recall,
6 can you tell us what happened at the meeting among the three of
7 you at the Embassy?

8 A Okay. The background to this was again reservations on
9 everybody's part--myself, Ambassador Pickering and Gorman, at the
10 idea of Felix Rodriguez coming to El Salvador. Things started to
11 turn around, though, when he went down and talked to General
12 Gorman.

13 Q When Rodriguez had talked to Gorman?

14 A Yea. You know, if you know Gorman, this message he sent,
15 which is consistent with the general feeling that I got from him
16 is that he was impressed by Rodriguez as opposed to saying this
17 is a dumb idea, which is the kind of the initial impression that
18 I got from General Gorman. And, Ambassador Pickering was still
19 very, you know, kind of, what's the word--he was very suspicious
20 of having Rodriguez come. In the note here about the "no pay
21 mercenary" is sort of a ^{cynical} ~~satirical~~ reference to Rodriguez
22 because I think we both, I and the Ambassador, talked about him
23 and this probably ^{wasn't all that great an idea.} ~~wasn't~~ ~~was~~. He came up and in the
24 meeting he sat down with Ambassador Pickering and my sense was
25 that he kind of turned him around.

26 Q Rodriguez turned Gorman around?

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1 A Well, he turned Pickering around. And I have to admit he
2 turned me around. Because he laid out a tactical scheme that I
3 thought would work in El Salvador.

4 Q This was [REDACTED]?

5 A Yea. And the net result of that meeting, and I didn't know
6 quite frankly; I didn't remember that this all had been recorded
7 in message traffic. But that's a fairly accurate record of it,
8 and as you can see, you know, Pickering basically came on line
9 and said it's probably a good idea the guy sticks around and
10 works with the Salvadorans.

11 Q Did Felix tell you how he, did he say--what kind of support
12 rather--I know nothing about military matters, so if I ask a
13 question in a way that's screwy, I apologize, but you correct me..
14 Did you tell you what kind of support he would need from the
15 MILGROUP or the Embassy?

16 A Not really. He came in and said that he would like to have
17 a chance to go out and work with [REDACTED] as
18 well. And that, you know, he basically had a little pitch that
19 he gave--he had a little book and he had pictures in it and so on
20 and it was kind of persuasive. And so what I ^{well} ~~say~~, the answer
21 was, the long-winded answer was, no, he really didn't outline his
22 requirements although he outlined what the concept was and
23 implicit in that were obviously that he needed [REDACTED]

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1 Q Do you remember, Colonel, if he said anything at that time
2 about his interests in assisting the FDN?

3 A He never said anything to me. As a matter of fact, as this
4 message here would suggest, there's no mention in it....

5 Q Steele Exhibit 3.

6 A ...because nobody was really thinking in those terms,
7 except, I guess General Gorman, when he wrote the message back.

8 [REDACTED]
9 [REDACTED]

10 Q Do you remember, Colonel, Felix Rodriguez's first successful
11 mission in El Salvador?

12 A Very clearly.

13 Q Could you tell us about that?

14 A Well, successful. You want to hear about the unsuccessful
15 and then the successful one?

16 Q Sure. Do both. First, the bad news and then the good news.
17 Do it the way my wife tells me about the latest bills.

18 A The bad news for Felix Rodriguez when he first started out
19 was--I took him over and introduced him to [REDACTED] and they
20 basically gave him the cold shoulder. They said we're not
21 interested and they had their own agenda, and they pretty much
22 saw him as an intruder and didn't really want, they felt as
23 though they knew how to do this kind of thing and they didn't
24 need somebody to come in and telling them. Which was probably
25 kind of a way of describe the whole attitude that [REDACTED]
26 had, [REDACTED]

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1 [REDACTED] In any case, he went out there
2 and was turned off by [REDACTED] talked to the Commande

3 [REDACTED] again, and they agreed to try his scheme
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]

7 And they
8 did an intell assessment and they came up with a plan, and they
9 went out and tried to execute it and it was a disaster.
10 Basically.
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]

15 it was a fiasco. And they came back in and I got kind of an
16 assessment of what happened, and I sat down with the Commande
17 [REDACTED] and Felix Rodriguez was there and I said, "You
18 know, as individuals you guys are great pilots, but I said, you
19 know, this is really a lousy operation." And they basically, I
20 mean my ~~sense~~ was that they didn't want it to succeed because
21 they saw this as ^{sort of an intruder's} ~~an~~ view of how to do things. And,
22 while we were sitting there talking about it, they got a report
23 [REDACTED]
24 [REDACTED]
25 [REDACTED] Well

26 we've got another report here, so we'll go out and try it again

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1 and you can grade us when we get back." You know, kind of a
2 snide way of saying that this was all a bunch of bullshit. In
3 any case they did take off [REDACTED]

4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED] so it was sort of an immediate
8 success, and that was the beginning of Felix Rodriguez's
9 ascendance to great favor with [REDACTED]

10 Q This document's to be marked Steele Exhibit 4, from Don
11 Gregg congratulating Felix and I guess you on that first mission.

12 A I'm glad you're showing me the letters now before you ask me
13 about them.

14 Q Well, you know we vary it...

15 A Yeah, I remember the letter.

16 Q What is the note that Gregg has penned in on the front page,
17 "Tell Felix not to take too many chances!", was Rodriguez a great
18 risk taker?

19 A Yeah, he is a great risk taker. I'm sure sure...oh, this is
20 the letter.

21 Q What it appears to be, Steele Exhibit 4 is a letter to you
22 from Don Gregg dated April 29, 1985, and attached to it, and I
23 don't know whether he sent you that or not, I was going to ask
24 you. This is how we got the letter...

25 A I didn't get this...

26 Q from Don Gregg to Felix Rodriguez describing, I believe, the

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1 successful mission that you just told us about.

2 A Yeah. I didn't, this was the only thing that I saw that I
3 recall.

A. Yes.

4 Q That is the letter to you from Don Gregg? Okay. Now, if I
5 could jump ahead for a moment, Colonel, sticking with Felix
6 Rodriguez, to 1986. Let me first ask you--do you know a
7 gentleman named Robert Dutton? Right?

8 A Yes.

9 Q And who did you understand him to be, and what did you
10 understand his role to be [REDACTED]

11 A He came down, the date I don't recall, it was in '86, early
12 '86. And Felix Rodriguez got in touch with me and said this
13 fellow was in town that he'd like to meet with me. [REDACTED]

14 [REDACTED]
15 [REDACTED] He, Rodriguez, thought
16 it would be a good idea if I met with him. And so I did. It
17 wasn't clear to me at that point exactly what his role was

18 [REDACTED] that he had just
19 retired from the Air Force, I believe.

20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]
26 [REDACTED]

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17 Q Right.

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20 I don't
21 know if you've talked to Felix Rodriguez, but the guy is--I mean
22 his hatred is Castro and he's strong anti-Communist and anything
23 he could do to assist, I think against the Nicaraguans or the
24 Cubans, he would do it;

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26 Q Did you know Colonel Gadd to be involved with that private

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1 organization?

2 A I've heard Gadd's name [REDACTED] and others, but

3 I don't know Gadd.

4 Q You never met him to your knowledge?

5 A To my knowledge I have not met him.

6 Q Did you know a fellow named Bobby Owens, O-W-E-N-S, did you
7 meet him?

8 A I met a guy named Bob Owen [REDACTED]

9 Q That's right.

10 A The one Owen that I met, I met Owen one time, who was a
11 fellow who had introduced himself to me as a guy who was with the
12 humanitarian assistance thing. I saw him [REDACTED] one time, a
13 5-minute meeting, that was the extent of my dealings with him.

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Okay. Let me define my relationship with North.

Please.

As I said before, I had a lot of people that, as a MILGROUP Commander, that I was dealing with. The guy, when I'd go to Washington and I'd try to go about maybe every 6 months, perhaps every quarter, depending on where we were in the budget cycle. There were a number of people that I felt that was absolutely critical that I talk to and this was related to funding for El Salvador. One of those was within DOD, specifically General Gast in DSA, within the State Department, Abrams, Walker--they were big players, in terms of us getting resources that we needed. And at the NSC, North. And whenever I went to Washington I'd try to talk to one or all of those people. Particularly if we were in a period where we were fighting for resources which was almost all the time. So I had occasions to talk to North, and it was not related to the Contras. In fact, my first contact with him had nothing to do with Contras, they were related to this.



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14 Q Did you find that curious?
15 A Listen, I mean the conversations with Oliver North, you
16 know, I mean I don't know if you've ever had any, but I mean..
17 Q As soon as they Repeal the Bill of Rights..
18 (Laughter)
19 Q We'll have one..
20 A Rarely did you did get a chance to have a conversation that
21 lasted ~~more~~ than about 3 minutes. The guy was like a..
22 Q Like talking to Arthur Liman..
23 A like a one-armed paper hanger, you know he's talking on this
24 phone--he's talking on that phone. He's in, he's out. So you
25 know I..
26 Q But in between hanging the wallpaper, did he tell you at any

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13 Q Okay. Did you, on your visits to Washington, keep Elliott
14 Abrams or Bill Walker advised at all about what Rodriguez was
15 doing?

16 (Pause)

17 A ~~There is no~~ *I don't remember having a* specific conversation with him about
18 Rodriguez, but it's possible.

19 Q Well, did you keep Abrams and Walker advised, generally,

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24 A I may have discussed it with Walker on an occasion, but most
25 of that I pretty much left to the Ambassador, because he was
26 dealing with them pretty much on a, probably a weekly basis, at

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1 least.

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 Q Your reports were then solely about El Salvador as you
6 recall it to Walker and Abrams?

7 A That's my recollection....

8 Q How about [REDACTED] ^{CCATF} Did you meet with him when you came
9 to Washington?

10 A I never went to see him directly, but he was at a number of
11 meetings that I've attended.

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 Q Did [REDACTED] give you any instructions or
21 [REDACTED] make any requests of assistance to
22 you?

23 A Not that I remember.

24 [REDACTED]

25 [REDACTED]

26 [REDACTED]

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22 A I knew you were going to ask me that. (Pause) You got it
23 there...

24 Q I don't know if I have it ~~there~~...I have some messages.

25 (Laughter) I mean if you think I can decipher these, to me

26 they're still in code, but ~~go~~ go ahead.

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4 Those, that was kind of it.

5 Q I have in my hand what appear to be copies of some messages
6 that went over that device. And I'd like to just go over some of
7 them with you and see if you can help me understand them. Okay.
8 Let me give you this one first and ask the reporter to mark it as
9 Steele Exhibit 6 for identification. Do you see the number RD,
10 you can ignore it--those are numbers we put on. This document
11 happens to bear number RD triple zero three eight seven. It a
12 message that I believe is reprinted [REDACTED] sent by
13 Bob, who I have reason to believe in this instance, means Bob
14 Dutton. And it starts at the top, "you need to pass all info re/
15 tasking problems to Steele. He is now the [REDACTED] USG
16 representative with interest in our operations [REDACTED]"
17 Why don't you just take a look at that.

18 (Pause)

19 ~~TAPE BREAK~~ *would you mark the Steele Exhibit 7*

20 Q ...which is numbered RD triple zero three eighty four begins
21 the same way as Steele Exhibit 6, only it continues with a
22 message for Steele from McAllister, which you'll see mid-way down
23 the page.

24 A Okay, I have not seen this message.

25 Q Alright. That was referring to Steele Exhibit 6. Now take
26 a look at Steele Exhibit 7.

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1 (Pause)

2 Q Steele Exhibit 7, as I said Colonel, begins the same way as
3 6, which you just read, then as you see it goes on and says for
4 Steele from McAllister. Did you know a McAllister?

5 A McAllister was, I found this out later, was Dutton. Same
6 guy.

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16 Q Okay, let me show you another one. But before we do, let's
17 stick with Exhibit 7 and 6 for a moment. At the beginning of
18 these messages, whomever is being addressed, and we can't tell
19 from the sheet. It starts, "you need to pass all info ref
20 tasking [redacted] plans to Steele. He is now the [redacted] USG
21 representative with interest in our operations."
22 [redacted]
23 [redacted]

24 A Well I'm not sure what that means.

25 Q
26 A

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1 [REDACTED] and yes, it's true that I did have interest in their
2 operation.

3 Q Then if you look, continuing in Exhibit 7, there are
4 numbered paragraphs before the message to you. There is a number
5 3, and it says, "Steele may be able to help with [REDACTED] requests
6 and clarifications of mission parameters..use him..he is a
7 friend.

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25 Q Did you have dealings with [REDACTED] while you were in
26 Salvador?

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1 A No.

2 Q No communications with him?

3 A No.

4 Q Okay. Let me show you this document, and ask..

5 A I don't remember ever talking to him at all. In fact I
6 didn't even, I didn't even know his name until the Tower people
7 told me his name as part of the questioning process.

8 Q So to the best of your knowledge you never met [REDACTED]

9 A That's right.

10 Q Colonel, let me please show you Exhibit 8. RD triple zero
11 three eight three.

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17 Q Okay. Let me, before we take a break.. Yes?

18 A A couple of messages..

19 Q A couple of message. Before we take a break,



26 Q We'll take a break.

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1 (Resume after break)

2 Q I have, Colonel, ~~the~~ better copies of the document that was
3 previously marked as Steele Exhibit 2, and I'm just going to ask
4 the reporter to mark this better copy as Steele Exhibit 2A, and
5 ask you to look at it briefly, I'm not going to ask you to ~~and~~
6 retestify, but just to confirm for me for the record that it
7 appears to be the same message as the one previously marked as
8 Steele Exhibit 2. I believe it to be the same and, only easier
9 to read.

10 A Yeah, it looks the same to me to me too.

11 Q Okay, that's Steele Exhibit 2A.

12 (Pause)

13 Q Now, getting back to these messages [REDACTED] I
14 want to show you a few more, if I may. Okay. This next one I'll
15 ask the reporter to mark as Exhibit 9. I'm going to show it to
16 you. Colonel, it's from Bob--the document does not indicate to
17 whom Bob is speaking on this message, but when you look at it,
18 you'll see references to your name, and my question is really
19 going to be not whether you recall seeing this specific message,
20 but whether you have any recollection of the subject matter that
21 the message discusses. And while the Colonel is reading it, this
22 is Bates number RD triple zero three eight eight. Exhibit
23 appears to be August 22, 1986.

24 (Pause)

25 A *Well I* ~~(tape delay)~~...haven't seen the message before as to the
26 content. (Pause) Well you know these are the same kind of

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1 issues that were in the other one..

2 Q Sure.

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21 Q Do you recall the name Bill, or William Goode, G-O-O-D-E or
22 G-O-O-D?

23 A Bill, I don't. But I remember that Goode was a name that
24 North used.

25 Q How did you learn of that cryptonym for North?

26 A He told me he was using that name.

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1 Q Did [redacted] tell you when he was using it? Or why. Did he tell
2 you, did North tell you on what occasions he would use the
3 cryptonym Goode?

4 A No, he just said that if, that he would be using the name
5 Mr. Goode, and that, I got the impression that he was using it
6 for not; I mean I would call his office and his secretary would
7 say, "Mr. Goode is not in." You know, I mean....
8 (Laughter) It wasn't a great secret.

9 Q (Laughter) Excuse me. Did Mr., did North tell you at any
10 time that if you got a message that referred to Mr. Goode, or was
11 said to be coming to you from Mr. Good that you should understand
12 that it was coming to you from Ollie North?

13 A Did who tell me that?

14 Q North. Or anyone tell you that if you received the message
15 from a Mr. Goode it was coming to you from Oliver North?

16 A Well, I guess, yeah that would follow. He said he was using
17 the name.

18 Q Did you ever hear the name, Copp? C-O-P-P?

19 A No. The only time I heard it was when I was at the Tower
20 Commission. They asked me the question about the name Copp. But
21 I never [redacted] it before.

22 Q And you never received messages from someone identifying
23 himself as Copp?

24 A (Laughter) No.

25 Q Okay. Let me ask you if you recall, then we'll go back and
26 look at some more of these messages. A conversation with Dutton

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1 in early August of 1986, informing you that the bosses or the
 2 chiefs of the private organization had decided to keep three
 3 aircraft in place, and asking you to inform [REDACTED] the
 4 three aircraft of the private organization were going to remain
 5 in place. Or anything to that effect?

6 A Well I only remember two meetings with Dutton.

7 Q Alright. You told us about the first. Tell us about the
 8 second..

9 A The second meeting was a meeting in Washington. (Pause)

10 I'm trying to remember exactly what the content of that was. I
 11 know it had to do with--I'm sure it had to do with the continuing
 12 ^{problems with} ~~of~~ Felix Rodriguez, and also I know that it had to do with.

13 I got the impression that Dutton was, that they were considering
 14 cancelling their operation, but that.. =

15 Q Let me see if I can refresh your recollection with this
 16 document, which I'll ask the reporter to mark as Steals

17 Exhibit 10. It's Bates numbered RD triple zero three nine four.

18 Appears to be dated August 20, 1986. [REDACTED]

19 [REDACTED] And there's a little handwritten notation
 20 above [REDACTED] text which reads "to Goode". But why don't you
 21 take a [REDACTED] at Exhibit 10, Colonel, and see if it refreshes your
 22 recollection of your second meeting with Dutton?

23 ~~(Tape off, delay in beginning)~~ A. Who's is Dick?

24 Q I believe your question was who was Dick. I believe it's; I
 25 mean I; the fun part of this is that I get to ask the questions.

26 (Laughter) But I think that, I think that Dick is Second,

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1 although I'm sure that's who it means here.

2 (Pause)

3 Q Does this refresh; does it ^{again} refresh you on what you and
4 Dutton discussed..

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22 * Mark ~~Red~~ Steale #10 if not done earlier.

23 Q In Exhibit 10 you notice at the end of the message that
24 there's a suggestion that the person to whom the message is
25 addressed, and I believe simply from the pencil note at the top,
26 that this note was addressed to North-- it says, suggest you talk

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1 to Steele and confirm that we are going after the CIA plan and
2 will advise him, close quote.

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7 Q Okay.

8 A I think, I don't remember....

9 Q Does Exhibit 10 refresh your recollection that you're
10 meeting with Dutton was around the middle of August 1986?

11 A That would have been about the right timeframe. I was in
12 Washington I know with General Vidas, Administrator of Defense--
13 came up here on a sort of semi-official visit and....

14 Q And where did your meeting with Dutton take place?

15 A In a hotel that I was staying at.

16 Q Do you remember which hotel that was, by any chance?

17 A The Watergate, I think.

18 Q That's okay. (Laughter) This is nothing like Watergate.
19 The; was any, was anyone at the meeting other than you and
20 Dutton?

21 A No. Just the two of us.

22 Q Do you remember a meeting on any occasion, or in that time
23 period, with Dutton and Bob Earl?

24 A I never met with Bob Earl and Dutton together.

25 Q Did you have meetings with Bob Earl? Alone?

26 A Yes. In fact I found myself talking to Earl probably when I

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1 went to Washington more than I did North because he was always
2 you know gone or something. Earl was there.

3 Q So on the occasions you saw Earl that was in the North suite
4 at the Old Executive Office Building? Or the North's, the
5 offices? You never met with Earl outside those offices?

6 A No.

7 Q And did you only see him alone on those occasions when North
8 was not there?

9 A Yes.

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26 Q Okay. Let me move along and ask a reporter to mark this

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** Steele #11*

1 next exhibit as Steele 10. (Reporter: 11) Eleven, rather.
2 It's Bates numbered RD triple zero four oh five;

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18 Q *Do you recall, Colonel,*
(Leahy delete)...Ambassador Corr telling you at any time of a
19 meeting he had attended in Washington at which concerns which had
20 been transmitted by Felix Rodriguez were raised and set out by
21 Don Gregg?

22 A Yeah, in fact I was at the same meeting.

23 Q You were at that meeting; that was in Gregg's office?

24 A Yes.

25 Q August 12, '86.

26 A I assume that's; I was at a meeting where that was

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1 Q And Ambassador Corr was there as well?

2 A ~~(faintly)~~ Yes, sir.

3 Q [REDACTED] ^{C/CATF} was there? Do you recall?

4 A Yeah, I think he was.

5 Q And do you remember that Bob Earl was there?

6 A ~~(faintly)~~ Bob, yes.

7 Q How about Bob Burkhardt--did you know him? He was there ^A to.

8 Was William Walker there from the State Department, as you
9 recall?

10 A Yes, I think so.

11 Q Okay. Anyone else that you recall?

12 A Don Gregg.

13 Q Don Gregg. Anyone else?

14 A That's it.

15 Q Give us your best recollection of what transpired at that
16 meeting. Let me stop that. Before you do that--how did, how
17 were you asked to come to this meeting. How was the meeting set
18 up?

19 A Well I was in Washington with the Ambassador and I'd have to
20 go back and check the calendar but I think it was the same time
21 that the Minister of ^{FINANCE} France was in Washington. I think we were
22 all there together. And said it was a meeting of
23 opportunity...and it was an opportunity to raise some of the
24 issues because Felix Rodriguez had had; well these kinds of
25 things were surfacing. And it looked as though there was a
26 potential confrontation brewing [REDACTED] This was a way

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1 of just kind of bringing the thing out, talking about it and
2 seeing what the implications were.

3 Q So you were asked by Gregg to attend?

4 A Well I was with Ambassador Corr; he just took me with him
5 when he to the meeting.

6 Q Now tell me what happened at the meeting, as best you
7 recall.

8 (Pause)

9 A It was not a long meeting. It was; one of the issues that
10 was discussed was this issue of the airplanes. ~~That this~~ *Q Who owned the airplane*

~~11 An interruption~~ *The* confrontation was brewing and that we ought to be
12 sensitive to that. Also concern that Felix Rodriguez was kind of
13 at odds with the private organization, I guess is the best way to
14 put it. Those were kind of the two central things that I recall
15 in the meeting. Things that I remember from it?

16 Q Sure.

17 A I remember [REDACTED] he was critical of the private
18 organization. He said that as far as he was concerned that there
19 wasn't, they weren't going to be a player in the new regime after
20 it came on board..

21 Q Meaning when the CIA took over?

22 A Yeah.

~~23 (tape delay)~~ *I think* people were a little disappointed that

~~24 A~~ *1* North wasn't there because he was, I don't know where he
25 was, he was going.....

~~26 Q~~ *by* MR. KREUZER: Who wasn't there?

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- 1 A : Oliver North.
- 2 Q MR. BELNICK: Did anyone say; what was the reason expressed
3 for disappointment that he wasn't there?
- 4 A Well obviously this was an area he had been deeply
5 interested in.
- 6 Q Did Gregg say he was disappointed that North wasn't there
7 or..
- 8 A I don't know..
- 9 Q But, just the sense..
- 10 A he may well have said that.
- 11 Q Alright. What else do you remember. Let me try and focus
12 on the question. What did; did Gregg; what was Gregg's position
13 at the meeting. Was he simply articulating the issues?
- 14 A I think what; Gregg was concerned about Felix Rodriguez. I
15 mean that was the sense that I got, and he felt as though, you
16 know, Felix was sort of under attack by the private organization,
17 and that he was, he had; I think that Don Gregg said that Felix
18 had talked to him and I think he recalled that you know that
19 Felix had brought out some things about members of the
20 organization and the fact that this was a potential
21 embarrassment, and that sort of thing, and that, and I think what
22 Gregg was trying to do is, you know what are the implications to
23 this, what should we do, and that sort of thing.
- 24 Q Let me follow that up. When, in connection with Gregg's
25 comment that Felix had expressed concern about some of the
26 players in the organization--did Gregg give you any names? Let

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1 me be specific--do you recall him mentioning Secord, Clines, Chi-
2 Chi Quintero, any of those?

3 A I don't think Gregg got into those details. I mean I have
4 heard all those names before, but it wasn't clear; I don't
5 remember those names coming out in that meeting at all.

6 Q How about Ed Wilson group--something like that?

7 (Pause)

8 A Part of my problem is that, the names that I've heard
9 change..

10 Q Sure, it's hard..

11 A Mixing with the names that were there. I don't know if it
12 was Wilson or who it was, but there was some reference back to
13 the Libyan problem and that sort of thing; but I, you know I'd
14 really be, I'd be doing somebody a disservice if I were to put
15 their name in here, because I'm not sure.

16 Q I don't want you to do that, and I'm just seeing if any of
17 what I say refreshes or prompts a recollection. If it doesn't,
18 you know by all means, tell me. Did, let me go through some of
19 the people who were there. Did you speak at the meeting?

20 A Yes.

21 Q What you recall that you said?

22 A I told them that, I think as I recall, I was the one who
23 laid out the problem with the airplanes; [REDACTED]

24 [REDACTED] And that we were in for a confrontation and that
25 you know somebody ought to be thinking about what we ought to do
26 when you know this thing kind of blows up and who the airplanes

1 belong to. That, I think that was really the only thing that I
2 said.

3 Q Did you address the issue of the..

4 A And I didn't have a solution, either, quite frankly. I mean
5 I didn't know where we were going with this airplane thing, too.
6 You know what I would have, what I wanted to have happen was I
7 wanted them to turn the airplanes over to the Contras, too.

8 Q Did you address the issue of friction between Felix and the
9 private organization?

10 A Well, I think that was raised; I joined in the conversation-
11 on that.

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14 And that there was friction. So I guess the answer...

15 Q How about the question of the nature of the guys involved in
16 the private organization. Did you make any comments on that
17 issue?

18 A No, I didn't. Because I didn't know.

19 Q Ambassador Corr. Do you recall if he spoke at the meeting?

20 (Pause)

21 A He didn't say a whole lot, except you know he said he wanted
22 to; in a way it was really kind of the Ambassador's idea, I
23 think, to get together and talk about it. That's my
24 recollection, and I think he talked to Gregg and said he'd like
25 to come over and talk to him because he kept getting these vibes
26 from me essentially that there was a problem; and so he talked

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- 1 about that, but you know he didn't lay out any kind of plan or
 2 anything like that..
- 3 Q Or express a viewpoint?
- 4 A No, I don't remember if he ever...
- 5 Q Was anyone taking notes at the meeting?
- 6 A Nobody was designated that way.
- 7 Q Did you see anyone taking notes?
- 8 A No.
- 9 Q You didn't take notes?
- 10 A No.
- 11 Q Did Earl speak?
- 12 (Pause)
- 13 A If he said anything, he sure didn't say very much. I
 14 remember he was sitting over on the right-hand side and he was
 15 very quiet.
- 16 Q Was there any discussion in the course of this meeting of
 17 North's role in, with the private organization?
- 18 A Not that I remember.
- 19 Q Did Burkhardt speak?
- 20 A I don't think he said a word.
- 21 Q [REDACTED] ^{C/CATE,} do you recall anything else he said about his
 22 criticism of the private organization and his statement that
 23 private regime would not be adopted, if you will, by the CIA?
- 24 A That was the only thing I remember him saying. He may have;
 25 there was some casual conversation that went on afterward, but I
 26 don't remember anything--that was the part that registered with

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1 me.

2 Q Do you recall any discussion at the meeting of the concern
3 that Felix had expressed from time to time, that the Contras were
4 being ripped off by the private organization?

5 A Yeah.

6 Q What was that discussion?

7 A Well just basically what you said..

8 Q Who raised it? Gregg?

9 (Pause)

10 A .~~F~~ather Gregg or the Ambassador.

11 Q Tell me what you recall being said on that subject.

12 A Well it was; it was part of the same discussion about, you
13 know, the scrupulous characters and that sort of thing. I can't
14 remember you know this business of the hand grenades costing X,
15 number of dollars when purchased, and so much being charged for
16 them later. So I don't know if that was part of it; it's running
17 together in my mind, but that was sort of the implication to me
18 that Felix had had attacked the private organization in terms of
19 the maintenance of their aircraft; what was going on with the
20 money and that scrupulous characters were involved too.

21 Q Did Gregg indicate whether he was reporting, or had reported
22 any this information to the Vice President?

23 A He certainly didn't say anything that I know of.

24 Q Did he indicate what the Vice President's view's were at all
25 or position on any of this?

26 A No, in fact I don't even remember the Vice President's name

1 coming up in the discussion.

2 Q How long did the meeting last? (Pause) Approximately?

3 A 30-minutes, maybe.

4 Q Were there any decisions reached? Any consensus formulated
5 at the meeting?

6 A The only thing that really came out of there, and I'm not
7 sure if it was any, if it was formal, but I certainly kind of
8 took it away that I talked to Felix and see if I could, if we
9 could get him you know to stay away from the private organization
10 and just kind of get him away from them and that we were going to
11 work on this problem with the aircraft and try to formulate a way
12 to deal with it when it happened.

13 Q When the meeting adjourned--did you stay around for any time
14 and talk to anyone..

15 A No we had to go somewhere else. I can't remember exactly
16 what was going on, but the meeting ended and we had to leave
17 then. I left with Ambassador Corr.

18 Q Do you recall whether Dutton was in town at the same time as
19 this meeting?

20 A Well I think that the meeting that I had with Dutton was
21 part of this same trip, but I'm not sure.

22 Q Okay.

23 A It was in; it was close. It was within several weeks
24 anyway.


25 Q Do you know the name Olmstead? (Pause) Do you remember at
26 any time meeting with somebody who was introduced to you as

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1 Mr. Olmstead? Do you recall meeting someone in connection with
2 the private organization at any time while you were in
3 El Salvador who had one eye? May have been referred to as one-
4 eye Jack?

5 A No. *Steele #12*

* 6 Q Could we mark this next document as Exhibit 12? Exhibit 12,
7 Bates stamped RD triple zero four oh two are several additional
8  The first one at the top of the page appears to be
9 dated August 13, and somebody had written in in pen from Bob
10 Earl. Why don't you take a look at these message and, Colonel,
11 you'll see that you're referred to in the one at the top of the
12 page. And possibly the one at the bottom if Jim is a reference
13 to you.

14 (Pause)

15 Q Let's talk about the first one. Do you remember the subject
16 matter at least of that message?

17 A Okay. Alright, now, yeah. Originally..

18 Q Let me stop for a minute. Off the record before you do
19 that.

20 A Originally I, originally I wasn't going to meet with Dutton.
21 And then I talked to the Ambassador and he said well, you know go
22 ahead and meet with him. But you know and so that, and so I did
23 reconsider the meeting..

24 Q You mean you weren't going to meet with him for the second
25 time?

26 A This was in Washington. The second meeting.

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- 1 Q Right. Okay. What about the other part of the message
2 referring to: conduct emergency recall immediately, bring the
3 maintenance and aircrews out of there quietly, etc.
- 4 A Well I never seen that or heard of that before.
- 5 Q Off the record.. ~~Okay, I'm sorry~~
6 ~~A~~ ~~Every~~ ~~go~~ ~~often~~ ~~these~~ ~~guys~~ ~~would~~ ~~go~~ ~~through~~ ~~sort~~ ~~of~~
7 ~~tape~~ ~~delay~~ ~~ing~~ a lurching thing like this is not worth the
8 effort and we're going to pull out; but I wasn't, I didn't know
9 about that.
- 10 Q Did you know somebody named or referred to as Bacon?
- 11 A No. I don't know who that is.
- 12 Q Alright. Take a look at the message at the bottom of the
13 page which again has a pencil note from Rob Ea., which I think
14 means from Rob Earl. And there're references in that message to
15 Jim. I don't know if that refers to you or not; I would just
16 like you to tell me whether you can tell from the substance of
17 the memo or the message whether you believe that that reference
18 to Jim is a reference to Jim Steele.
- 19 A I think it probably is.
- 20 Q And reading the message, can you tell what the subject
21 matter refers to?
- 22 A Well I had indicated that that I wasn't going to meet with
23 Dutton when I was in Washington.
- 24 Q I'm looking at the part that says that a threat of a lawsuit
25 against [REDACTED] for air piracy close quote. Do you recall such
26 a lawsuit being threatened by someone?
- 27 A I don't remember it, but you know there; these guys ...some

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- 1 fairly outlandish things from time to time, and that doesn't
2 surprise me.
- 3 Q Do you remember them, them being the private organization
4 people, at any point accusing Felix of having hijacked one of
5 their airplanes?
- 6 A Oh, yeah, they did that. That's true.
- 7 Q Tell me about that.
- 8 A I got this as I recall from Felix, but apparently Felix had
9 gone over [REDACTED] on one of their aircraft and then they had
10 claimed; no, wait a minute, maybe it was from Miami; I can't
11 remember, but they had accused him of diverting one of their
12 aircraft from its maintenance site [REDACTED] and that
13 he had, you know, he had hijacked it.
- 14 Q And I take it that he denied that he had..
- 15 A Well, yeah, he did. I mean I felt like it was kind of, kind
16 of silly..
- 17 Q Kind of what?
- 18 A It was kind of silly. The accusation. But they were really
19 down on Felix at that point.
- 20 Q I'm looking at this bottom message again on Exhibit 12: the
21 threat of a lawsuit against [REDACTED] for air piracy has
22 apparently really poisoned the atmosphere for Jim and for the
23 Ambassador about the good intentions of the company; so this is
24 as I understand it was some kind of threat the private
25 organization was making to [REDACTED] and about suing him?
- 26 (Pause) Which was causing you and Ambassador Corr problems?

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1 A Well this went back to the issue of who owned the airplanes.
2 Q Okay. That's what I thought. Fine. Let me move along.
3 Can we go off the record for a moment?
4 A Sure. *Steele #13*
5 Q I want to show you this. Please, Mr. Reporter, Steele 13,
6 Bates numbered RD triple zero four oh. It's hard to see the
7 date, but it's sometime in August though of 1986, and it's
8 continuing about the air piracy lawsuit. Refers to a comment
9 made to VP by Ollie, and there's the statement that this entire
10 issue now borders on ridiculous. And then again near the bottom
11 of the message, says Udall and the other companies are perfectly
12 legal in their activities and I will make this a major issue if
13 Ambassador and Steele do not rectify matter with [REDACTED] I will
14 not permit Max to tear us up, so forth, signed Dick. I have no
15 reason to believe you saw this message, Colonel Steele; I'm
16 showing it to you as with the others to see if it triggers a
17 recollection relating to this issue.
18 (Pause)
19 Q Had you ever heard the name Udall? Was that a company name
20 you were familiar with?
21 A No. Well, no, I don't think so. I just always referred to
22 him as private organization. I've heard it a number of times
23 since...
24 Q Right. Is this more of the same bickering between Max, the
25 private organization [REDACTED] As best you can judge from
26 reading it now?

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1 A Yeah, that's how I would read it.

2 (Pause)

3 Q Had you ever heard the term, [REDACTED] the plantation, those
4 terms? (Pause) The ranch?

5 [REDACTED] they referred to as; I'm not sure which one was

6 [REDACTED] and which one was the plantation, but they had a name

7 for that one; they also had a name for the airstrip they had in

8 Costa Rica.

9 Q In Costa Rica, huh? Did you know who had built that

10 airstrip in Costa Rica?

11 A No.

12 Q Did you know anything about where this private organization
13 was getting its money from?

14 A Absolutely none.

15 Q Had you ever heard that it was coming from any foreign
16 governments in any way? I'm not referring to the diversion,
17 alleged diversion issue with Iran, but did any; let me, let me
18 back up and clarify it. Had you ever heard that it was coming
19 from private donors in the United States? Any of the funding
20 with the private organization?

21 A Private donations is the way it was always, you know that,
22 but as far as where it was coming from, I never did know, no.

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- 17 Q [REDACTED] let me be specific, had you ever
18 heard that [REDACTED] had made a
19 contribution for the benefit of the Contras--not through
20 [REDACTED] but that [REDACTED] were contributing to Contra
21 assistance?
- 22 A Max Gomez mentioned, but it was strictly in the rumor
23 category..
- 24 Q Yeah..
- 25 A I mean it was nothing
- 26 Q Excepting that it was in the rumor category, what was the

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1 rumor that Max told you he had heard?

2 A That it was coming out of [REDACTED] I don't if it
3 was [REDACTED]

4 Q Did he say how much he heard was coming?

5 A Not to me.

6 Q Did Max, or anyone else, tell you that they had heard that
7 any other Governments were contributing.

8 A No.
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]

16 Q With the different Contra factions?

17 A Yeah. Not, he did not ask me to help him or try to engage
18 in any U.S. assistance

19 Q He didn't tell you about any fundraising activities that he
20 was involved in for the Con, excuse me for the Contras?

21 A No. Although it was sort of implicit; it sounded like he
22 was, he was not only trying to raise money but trying to provide
23 it ...himself.

24 Q Now, did he, when Singlaub came to El Salvador [REDACTED]

25 [REDACTED] from prior testimony of yours--I understand that was in
26 mid-1986. Does that still sound about right?

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1 A Yeah, I don't remember the exact dates that he came through,
2 but he came through, as I recall it was in '86, and he was
3 trying; actually it turned out to be more of a sales pitch. He
4 had a, had a woman with him..

5 Q Large, blond woman?

6 A Yes. And then he had another guy who was an ex-helicopter
7 pilot; he had gotten out of the Army and they were, they were
8 looking; she was specifically interested in some business
9 arrangements [REDACTED] over some aircraft parts and aircraft,
10 and that sort of thing.

11 Q Was the woman introduced to you by name?

12 A She was. I don't remember her..

13 Q Barbara Studley?

14 A That's her, yeah.

15 Q Do you remember the name of the gentleman who was with them?

16 A Besides Singlaub?

17 Q Yeah.

18 A Uhm. (Pause) He was trying to sell a helicopter package to
19 the Salvadorans. If I heard the name I might remember it.

20 Q That one I can't help you with, I don't know if anyone here
21 knows. This pilot..

22 A He was kind of a young guy, you know curly, dark curly hair.

23 Q Did Singlaub tell you that he had been dealing with [REDACTED]

24 Eden Pastora?

25 A Yeah.

26 Q What did he tell you about that?

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1 A He said that he had gone down to meet with Pastora and that,
2 had secured an agreement with Pastora to rejoin, reunite with the
3 other organizations.

4 Q Did he happen to show you, tell you whether that agreement
5 was in writing?

6 A I think he told me it was. Although I don't remember; he
7 might. I don't know. ... I don't remember if he showed me a
8 paper.

9 Q Did he show you the agreement that he entered into?

10 Off the record, ~~the reason~~.

11 (Pause)

12 Q Did you meet Singlaub?

13 A Yeah.

14 Q I understand that you also meet Dick Secord at least once.

15 A Only once.

16 Q That was in Salvador?

17 A That was in El Salvador.

18 Q In what connection?

19 A He came through there on a quick trip. He was only on the
20 ground, I would guess for a very short time. And he met with the
21 Ambassador, kind of a courtesy call thing. I can't remember if
22 North was with him or not. I think he was though. That's my
23 recollection that North was with him and that he met with the
24 Ambassador very short and he was gone.

25 Q Did you learn on that occasion, and if I've asked you this
26 before, I apologize--did you learn on that occasion or any other

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88

1 that Secord was involved with the private organization, as you
2 refer to it?

3 (Pause)

4 A No. I had the sense that he was, but I never; I never
5 pinned, he certainly didn't say he was, as I recall. And you
6 know that the only time that he came to El Salvador.

7 Q Did Felix ever tell you that Secord was involved.

8 A Well he thought Secord was involved.

9

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11

12 Q Reaching the end--did anyone in the United States Government
13 ever ask you to provide assistance the Contras while you were on
14 mission in El Savador?

15 A No.

16 Q And I understand your testimony in general here today, and
17 you correct me if I characterize it wrong that in what you did
18 you attempted at all times to stay on the correct side of what
19 the law was, as you understood it?

20 A (Slightly) That's what I tried to do.

21 Q But it was not an easy line always to walk.

22 A It was not an easy line and it was, and I know you know,
23 that sometimes I may appear that I'm not, I don't remember
24 everything you've asked, but keep in mind that this was

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26 I mean my principal job was fighting a war, at least

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1 advising the Salvadorans



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23 Q Let's go off the record a moment. Ken, let me ask you about

24 this, and then I'll be able to wrap up....

* Ex Steele #14

25 Q Now mark as Exhibit 14 a document which bears the Bates

26 stamps numbers RD triple zero three nine three and it's another

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1 couple of messages [REDACTED] and I want to refer only
 2 to the first message on the page, Colonel. Why don't you take a
 3 moment to read it. (Pause) ~~(Tape delay)~~ *Q. Do you* ...have any idea what
 4 this message is referring to?

5 (Pause)



19 *Ex Steele #15*
 20 Q Let me mark as this next exhibit, Exhibit 15. A document
 21 which has not Bates stamp number on it, but it is another message
 22 [REDACTED] Colonel, I'll ask you to look at it; read
 23 it.

24 ~~(Tape delay)~~

25 Q ...let's mark this one and rerexerox yours, Ken. ~~Off the~~
 26 record, let's substitute....

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1 Q Exhibit 15, somebody has penned in from Steele; let me just
2 read it--from Steele retransmitted to Earl, 18 August, oh nine
3 hundred.

4 (Pause)



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23 Q Colonel, I have no further questions right now. Let me turn
24 first to my House colleagues and see if they have any questions.

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1 BY MR. BALLENG: (Conversation faint on tape from this point

2 on)

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Pages 93 through 95

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9 Q Did you ever communicate with

10 A I don't know.

21 Q How about Dewey Clarridge?

22 A The only time that I ever met with Dewey Clarridge was

23

24 probably '85 timeframe and had a meeting with Ambass

5 and I remember briefing him on what was going on with t

6 Salvadoran military.

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19 Q Do you know if North was ever at a meeting with anybody?
20 A Well (b)(6) North came (b)(6) several times; dates I
21 don't remember. He usually came down to; not usually, I guess he
22 came down on one occasion I remember specifically (b)(6) and
23 with either Walker or Elliott Abrams--I don't remember which one.
24 And they had a meeting; they had (b)(6) although I don't
25 think (b)(6) they had a meeting there with the
26 Ambassador because it more convenient to, they couldand just

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1 meet for a few minutes. And I remember that meeting.

2

3 Q Were you, were you in part of that meeting?

4 A Yeah, part of it I was.

5 Q And what discussions were had?

6 A The Ambassador gave them an update on what was going on in
7 El Salvador. How the war was going. They gave an assessment of
8 how they thought the funding for El Salvador was going to be and
9 what they thought the chances of Congress passing the package for
10 the Contras. That's what I remember.

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18 Q Would this be in the Spring of 1986?

19 A Probably early Summer would be my guess.

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1 Q Were you present at the entire meeting or you said you
2 participated in some of it.

3 A I wasn't there for the entire meeting. I was in and out.

4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]

9 Q No further questions.

10 BY MR. BELNICK

11 Q ...few questions then we'll wrap up.

12 BY MR. LEON

13 Q I have a few questions.

14 BY MR. BELNICK

15 Q You want to go next, or let John ask a few and then you ask
16 a few?

17 BY MR. LEON

18 Q Doesn't matter to me.

19 BY MR. BELNICK

20 Q John, why don't you fire? Then we'll let Mr. Leon go in the
21 ... cleanup position?

22 BY MR. LEON

23 Q Good enough.

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1 BY MR. BELNICK

2 Q Alright, John.

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3 BY MR. SAXON



22 Q You had a deputy by the name of David Rankin at one point.

23 Is that correct?

24 A Not my deputy. He was the Air Force; my Air Force rep.

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^ Pages 101 and 102

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7 Q Did you ever have any discussions regarding the private
8 supply operations with Nester Sanchez?

9 A (Pause) He was one of the people that I talked to when I
10 went to Washington. He was, and I would deal with him as it
11 related to specifically El Salvador; but I certainly well may
12 have told him about [REDACTED] I
13 don't remember specifically, but it would have made sense for me
14 to do that.

15 Q Do you remember anything he might have said in those
16 discussions himself?

17 A He didn't give me any guidance at all.

18 Q What about Noel Koch--same question.

19 A I don't think I know him.

20 Q What about Mr. Armitage--Richard Armitage. (Pause) Did you
21 have any conversations along these lines about private supply
22 operations, either directly or as an indirect part of a
23 discussion with any people in the Army hierarchy--Secretary
24 Marsh, for example.

25 A No.

26 Q General Wickham?

1 A No.

2 Q Admiral Crowe?

3 A No.

4 Q Secretary Weinberger?

5 A No.

6 Q Secretary Taft?

7 A No.

8 Q Mr. Weinberger's military assistant, General Powell?

9 A No.

10 Q Could you tell us in any way what kind of guidance or
11 instructions you got from General Gorman regarding any activities
12 you had direct ^{or indirect} ~~rough deletes hearing questions~~ regarding the
13 private supply operations?

14 A ~~(Pause)~~ I don't remember getting any guidance from him at
15 all.

16 Q Were there any negative admonitions--don't do this; don't do
17 that, vis a vis the private supply operation? Same questions
18 regarding General Galvin.

19 A ~~Uhm.~~ ~~(Pause)~~ The only thing; General Galvin was; the thing
20 that I recall from him was that he said you know to be make sure
21 that you don't, that you're careful about what you do

22 [REDACTED] I remember that.

23 Q And what would you interpret that to mean?

24 A Don't break the law.

25 Q Would you be able in any way to date your conversations you
26 might have had with Nestor Sanchez?

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1 A (Pause) The most recent conversation I had with him was
2 when I left, I guess this would have been in probably, I want to
3 say late October; it seems to me, I made a trip to Washington I
4 think in October. And then I was also in Washington in August,
5 so it's possible; I'd have to go back and you know check his
6 calendar, but I you really you know you're barking up the wrong
7 tree because he really he didn't do, he had nothing to do with it
8 as far as I know. At least as it related to me.

9 Q At one point I believe there was some threats on your life,
10 and you moved your family out of El Salvador--what can you tell
11 us about that?

12 A Yeah, in early '86 [REDACTED] I had gotten some
13 telephone death threats which I basically kind just kind of blown
14 off, but then I got a report [REDACTED]

15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED] And some discussion with the
20 Ambassador at that point as to whether he wanted me to move;
21 feeling was that that was probably a loser, it was better to, for
22 me to stay in the house, that we'd go ahead and prove the
23 defenses and that I'd send my family back to the States for a
24 month or two until things cool down. And that's what we did.

25 Q Okay. Does the name [REDACTED] ring a bell with
26 you?

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1 A [REDACTED] is it; it's not a pronunciation problem is it.

2 BY MR. BELNICK

3 Q. Do you know John Hull?

4 A. No.
(TAP INTERRUPTION)

5 BY MR. SAXON

6 Q ...had you ever had any dealings ^{with} a John Hull in Central
7 America?

8 A Not that I know of.

9 Q Did you ever go to a farm home of someone who may have been
10 a John Hull, a farmer from Indiana?

11 A I don't remember anybody... ^{like that.}

12 Q Did you ever make any notes or MFRs from any of your
13 discussions with Colonel North?

14 A No.

15 Q We know from what you've told Mr. Belnick that on some
16 documents you wanted to keep you would put File for Me. S. Were
17 there ever any notes, memoranda, correspondence, diaries or
18 anything else about these operations that you would put into
19 those files or any others?

20 A No. I didn't keep any records of those; and again, this was
21 really on the periphery for me.

22 BY MR. BELNICK:

23 Q Okay, Rich.

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1 BY MR. LEON:

2 Q Yeah, I just have a few things, Colonel. Remember you were
3 talking about a meeting with Mr. Gregg, Ambassador Corr, in
4 Mr. Gregg's office--do you recall Mr. Gregg, or anybody,
5 mentioned at the meeting Oliver North on a prior occasion
6 confronting Felix about his conduct down there and admonishing
7 him to become more conscientious about security and careful about
8 what he said, with Dutton present?

9 A With Dutton present? No.

10 Q How about without Dutton present?

11 A Yeah, in fact I don't remember that at all. Oliver North
12 admonishing Felix?

13 Q Uh-hum. To you know at the request of Dutton, to clean up
14 his act and start becoming more security conscious.

15 A I don't remember that.

16 Q Was Sam Watson at that meeting? Gregg's deputy? If you can
17 recall.

18 A That's right Watson had taken as his; I just don't now. I
19 don't remember. He might have been. I'm sure if you're asking
20 me to remember if he was there.

21 Q Has Felix at any time ever told you that that happened.
22 That North sat him down in Dutton's presence and admonished him
23 for being a security risk?

24 A Never. ~~(Pause)~~ In fact, well..

25 Q Okay..

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1 A I would have thought that that would have been something
2 Felix would have told me if that I had happened. I mean even the
3 fact that he and Dutton and North together would have been a
4 surprise to me. So I don't remember that at all.

5 Q Why's that?

6 A I just didn't; I never seen them together.

7 Q But didn't you associate them as being people who would be
8 in touch with one another; because of the resupply and North's
9 involve, interest and involvement in resupplying?

10 A Well you now it sort of seems that way now, but it didn't at
11 the time..

12 Q Really?

13 A The relationship didn't seem to be like that to me.

14 Q What was your impression at that, at the time as to North's
15 influence or involvement with Dutton and his operation?

16 A My sense was that there was definitely contact there but
17 they made a point of not you know, North never told me about
18 talking to Dutton.

19 Q How about Dutton? Did he ever make it a point to you and
20 tell you that you had been dealing with North or that North was
21 helping him in any way?

22 A No.

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13 Q Okay. With regard to the Boland question, so to speak--at
14 some point somebody at the Defense Department must have informed
15 you in some way, shape or form that because of the Boland
16 Amendment the Department of Defense, which you are a part of,
17 could not be involved ⁱⁿ any way in ^{assisting the Contra} ~~the system the~~, is that
18 a safe statement? ~~(Pause)~~ Either in writing or oral?
19 A Well, I'm not to try to hide behind anything like that..
20 Q No, no..
21 A Nobody, no the simple fact is nobody did. But you know..
22 Q If that's a fact, say it. That's alright. But, it's all
23 hard for me to appreciate that because..
24 A Well keep in mind..
25 Q You're not a lawyer.
26 A Well I'm not a lawyer, no..

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1 Q And here's a law that that you're supposed to adhere to and
2 a new law, and you're supposed to abide by it, right?

3 A Well, it was very clear when I got there that we weren't
4 providing anything for the Contras, this is '84.

5 Q When you arrived?

6 A When I arrived..

7 Q What month was that, if you can recall.

8 A Well I got there in May; I'm not sure; there wasn't even an
9 issue with the Contras as far as I was concerned. In fact I
10 didn't, I didn't pay much attention to them. This whole thing
11 didn't even surface for me until, until after the non-lethal bill
12 was passed [REDACTED] That's when
13 it became.

14 Q The no-hope program, N-H-A-O?

15 A Yeah.

16 Q Nicaraguan Humanitarian Assistance?

17 A Right.

18 Q Would you put that at the end of '85?

19 A I would put it, well for me it was early '86.

20 Q Early '86. [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

25 [REDACTED]

26 [REDACTED]

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1 [REDACTED]
2 Q No. Okay. So in the NHAO program comes into, the
3 humanitarian program comes into effect [REDACTED]
4 [REDACTED] Was there anyone at that time from in your chain of
5 command, let's say, who advised you that with regard to that
6 program there are limits as to what you can or cannot do?
7 A Well I was talking to the Ambassador..
8 Q Alright..
9 A And keeping him informed [REDACTED] and
10 what my intentions, and what I was doing and so on. And so I,
11 certainly he gave me some guidance.
12 Q Now help me here a little bit..
13 A What was the guy's name..
14 Q Well yeah besides that. Where does he fit into your chain
15 of command?
16 A He's my boss. You know I mean I had about six different
17 bosses and I.. [REDACTED]
18 Q State Department representatives..
19 A Well he is the President's representative in El Salvador.
20 He is my boss. You know and if it came push to shove he was guy
21 you responded to. You know I also answered to General Gorman and
22 Galvin after him, ~~to the (someone coughing makes tape inaudible~~
23 ~~for about 3 words) ... in charge in Central America; I certainly~~
24 answered to General Gast in the Pentagon. So it was not such a
25 clear-cut chain of command.

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1 BY MR. BELNICK:


2 Q I don't know if you were here, Rich, we did this at the
3 beginning.

4 A Oh, okay that's....

5 BY MR. LEON:


6 Q Did he give you any legal points *in that reg* to follow?

7 A Well yeah, from time to time he told me what to do and what
8 not to do.



16 BY MR. BELNICK:

17 Q And we're also covering stuff that we did this morning,
18 Rich, so if we could just, I don't think you would want to put
19 the witness through this again..




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3 BY MR. LEON:

4 Q Did you ever talk to a fellow named ? Have you
5 ever heard his name?

6 A No.

7 Q How about Clair George?

8 A Clair George? That's a familiar name, but I don't know him.

9 Q Have you ever heard the name Brett Sciaroni?

10 A No. ~~(something said-inaudible)~~

11 ~~(something said-inaudible)~~



24 Q Thank you.

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1 BY MR. BELNICK:

2 Q Okay. Colonel, who advised you of the shootdown of October
3 of 1986?

4 A I got a telephone call



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11 Q What did the Ambassador say that you remember in response to
12 your advice to him that the plane had been shot down with an
13 American crew?

14 A *He told me to keep him posted*
~~(Pause) (tape interruption)~~... on what I knew and that. As
15 I recall you know that he hoped to hell it didn't get shot down
16 in Nicaragua.

17
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19

20 Q No, no. None of us does. ...a couple of quick ones and then
21 we'll let you right out of here.

22 BY MR. SAXON:

23 Q Do you know *Tom Posey*? Does that name ring a bell to you?

24 A Only because I read about him in the paper you know; that
25 goes back a couple of years ago though.

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1 Q As best you know did you ever have any dealings with him?

2 A No.

3 Q What about other individuals associated with CMA which began
4 initially a civilian military assistance and became civilian
5 materiel assistance?

6 A ~~Inaudible~~ No, never.

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8 BY MR. BELNICK:

9 Q Alright.

10 BY MR. BALEN:



16 BY MR. BELNICK:

17 Q Before we say goodbye, let me just point you to the word
18 Goode in Exhibit 15 and ask if you recall ever using North's
19 cryptonym in any messages that you sent.

20 A Did I use the word Goode in things that I sent..

21 Q Yes, cause that name..

22 A I referred to him as Good^e occasionally but I don't remember
23 ever putting it in a message.

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1 Q Colonel, on behalf of both Committees I want to thank you
2 for spending all this time with us today and I know that you came
3 in and are scheduled to go back overseas. We appreciate your
4 forthrightness, your candor and your cooperation. And thank you
5 very much on all of our behalf.

6 A Thanks very much.

7 ADJOURNED AT 1:05 P.M.

8 /des, 5/6/87

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1 Feb 85

U.S. MILITARY GROUP EL SALVADOR

APO MIAMI 34023

1 FEB 85

SUBJECT: Felix Rodriguez

THRU: DCM

TO: AMB PICKERING

Per your guidance, attached is a draft
backchannel to Gen Gorman on our
"no pay" mercenary.

STEELE

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5723

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Steel
RMC 9/21/87

CONFIDENTIAL

TO SSO PANAMA

CONFIDENTIAL

UNCLASSIFIED

SSO PANAMA PASS TO GENERAL GORMAN FROM AMB PICKERING
 PERSONAL FOR GEN GORMAN FROM AMB PICKERING

1. (C) DURING BLANDON'S OFFICIAL VISIT TO THE U.S. DURING THE PERIOD 22-27 JANUARY 1985, HE EFFECTED LIAISON WITH A MR FELIX RODRIGUEZ, WHO I AM TOLD HAS EXTENSIVE EXPERIENCE IN LATIN AMERICA

[REDACTED]

2. (C) AS A RESULT OF THE MEETING, BLANDON EXTENDED AN INVITATION FOR MR RODRIGUEZ TO WORK FOR THE GOES (ON A NO SALARY BASIS) WHEREBY MR RODRIGUEZ WOULD CONCEIVABLY BE EMPLOYED INDEPENDENTLY TO TRAIN, ADVISE, AND EVEN ACCOMPANY SPECIAL SALVADORAN UNITS INTO COMBAT.

[REDACTED]

3. MR RODRIGUEZ HAS HIGH LEVEL CONTACTS AT THE WHITE HOUSE, DOS AND DOD, SOME OF WHOM ARE STRONGLY SUPPORTING HIS USE IN EL SALVADOR.

4. IT IS MY CONSIDERED OPINION THAT IT WOULD BE IN OUR BEST INTERESTS THAT MR RODRIGUEZ CONFER WITH YOU PERSONALLY PRIOR TO HIS COMING TO EL SALVADOR. I HAVE SOME OBVIOUS CONCERNS ABOUT THIS ARRANGEMENT AND WOULD LIKE YOUR VIEWS. I BELIEVE A MEETING YOU WOULD SERVE TO CLARIFY OUR APPROACH IN EL SALVADOR AND WOULD ALSO PROVIDE YOU WITH SOME INSIGHT INTO HIS PROPOSED METHODS OF OPERATION. I WOULD APPRECIATE ANY USEFUL INFORMATION BE PASSED TO ME SO THAT I COULD BE READY TO SUPPORT OR DISCOURAGE HIS EMPLOYMENT BY THE GOES.

PICKERING.

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2/14/85 File 14 Feb 85
③ From S

14 Feb 85

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EYES ONLY//EYES ONLY//EYES ONLY//EYES ONLY//

NIACT IMMEDIATE

FOR AMBASSADOR PICTURING (ND COL STEEL) FROM GEN GORMAN

SUBJECT: FELIX RODRIGUEZ (S)

1. (C) I HAVE JUST MET HERE WITH FELIX RODRIGUEZ, [REDACTED] PENSIONER FROM MIAMI. BORN IN CUBA, A VETERAN OF GUERRILLA OPERATIONS [REDACTED]

[REDACTED] HE IS OPERATING AS A PRIVATE CITIZEN, BUT HIS ACQUAINTANCESHIP WITH THE VP IS REAL ENOUGH, GOING BACK TO LATTER'S DAYS AS DCI.

2. (C) RODRIGUEZ' PRIMARY COMMITMENT TO THE REGION IS IN [REDACTED] WHERE HE WANTS TO ASSIST THE FDN. I TOLD HIM THAT THE FDN DISSEMINATION IS HIS PRIORITY. I ALSO TOLD HIM THAT YOUR WORK WITH THE PRAL WAS ADVANCING WELL, AND THAT WE HAD MADE PROGRESS WITH TRAINING OTHER PATROL FORCES. I WARNED HIM THAT WHATEVER HIS CONSULTING ROLE IN [REDACTED] HEAD AMOUNTED TO, HE COULD NOT BECOME VISIBLE TO THE PRESS IN ANY SENSE WITHOUT DAMAGING OUR CAUSE THERE. I ALSO CAUTIONED THAT EL SALVADOR IS A VERY MUCH MORE DELICATE ENVIRONMENT WITH RESPECT TO CIVIL-MILITARY RELATIONS AND RESPECT FOR HUMAN RIGHTS THAN ANY HE HAD OPERATED IN BEFORE.

3. (C) HE WILL WANT TO RLY WITH THE ESAP TO ESTABLISH HIS CREDIBILITY, BUT THAT BIT OF MACHISMO SEEMS TO ME BOTH UNNECESSARY AND UNWISE.

4. (C) MY JUDGMENT IS THAT HIS ADVICE WILL REINFORCE OURS, AND THAT WE SHOULD PUT NO OBSTACLES IN HIS WAY TO CONSULTING WITH BLANDON OR BUSTILLO UNLESS AND UNTIL WE GET COUNTERINDICATIONS. I RECOMMEND THAT JIM STEEL MEET WITH HIM. [REDACTED] AND AMBASSADOR [REDACTED]

[REDACTED] MAY ALSO WANT TO INTERVIEW HIM, BUT OUR MAIN INTEREST IS, AS I SEE IT, TO INSURE WE KNOW WHAT HE IS TELLING BLANDON AND BUSTILLO VIA [REDACTED] BRIEF AND OUT-BRIEF.

5. (C) ASSUMING YOUR APPROVAL, I WILL SEND RODRIGUEZ TO [REDACTED] SOMERSON, 15 FEB, ON ONE OF MY C-125. HE WILL ARRIVE AROUND 1100 LOCAL. HE IS A LONG-TIME FRIEND OF LOU RODRIGUEZ AND, IF AVAILABLE, WOULD APPRECIATE IT IF LOU COULD BE HIS CONTACT POINT. I ANTICIPATE HE WILL WANT TO DEPART FOR MIAMI ON SATURDAY.

DECLAS OADR

SSO NOTE: DELIVER IMMEDIATELY.

00225

Partially Declassified/Released on 30 July 1987

under provisions of E.O. 12356

by B. Reger, National Security Council

UNCLASSIFIED

3/80

STEELE EXHIBIT #2

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2/14/85

File

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C O N F I D E N T I A L

PNA-0409-14-FIB-85

QQQQ

EYES ONLY//EYES ONLY//EYES ONLY//EYES ONLY//

NIACT IMMEDIATE

FOR AMBASSADOR PICKERING AND COL STEELE FROM GEN GORMAN

SUBJECT: FELIX RODRIGUEZ (U)

1. (C) I HAVE JUST MET HERE WITH FELIX RODRIGUEZ, PENSIONER FROM MIAMI. BORN IN CUBA, A VETERAN OF GUERRILLA OPERATIONS

HE IS OPERATING AS A PRIVATE CITIZEN, BUT HIS ACQUAINTANCESHIP WITH THE VP IS REAL ENOUGH, GOING BACK TO LATTER'S DAYS AS DCI.

2. (C) RODRIGUEZ' PRIMARY COMMITMENT TO THE REGION IS IN THE AREA WHERE HE WANTS TO ASSIST THE FEM. I TOLD HIM THAT THE FDM DESERVES HIS PRIORITY. I ALSO TOLD HIM THAT YOUR WORK WITH THE PRAL WAS ADVANCING WELL, AND THAT WE HAD MADE PROGRESS WITH TRAINING OTHER PATROL FORCES. I WARNED HIM THAT WHATEVER HIS CONSULTING ROLE IN THE AREA AMOUNTED TO, HE COULD NOT BECOME VISIBLE TO THE PRESS IN ANY SENSE WITHOUT DAMAGING OUR CAUSE THERE. I ALSO CAUTIONED THAT THE AREA WAS A VERY MUCH MORE DELICATE ENVIRONMENT WITH RESPECT TO CIVIL-MILITARY RELATIONS AND RESPECT FOR HUMAN RIGHTS THAN ANY HE HAD OPERATED IN BEFORE.

3. (C) HE WILL WANT TO JLY WITH THE ESAP TO ESTABLISH HIS CREDIBILITY, BUT THAT BIT OF MACHISMO SEEMS TO ME BOTH UNNECESSARY AND UNWISE.

4. (C) MY JUDGMENT IS THAT HIS ADVICE WILL REINFORCE OURS, AND THAT HE SHOULD PUT NO OBSTACLES IN HIS WAY TO CONSULTING WITH BLANCON OR JUSTILLO UNLESS AND UNTIL WE GET COUNTERINDICATIONS. I RECOMMEND THAT JIM STEELE MEET WITH HIM. [REDACTED] AND AMBASSADOR

5. [REDACTED] MAY ALSO WANT TO INTERVIEW HIM, BUT OUR MAIN INTEREST IS, AS I SEE IT, TO INSURE WE KNOW WHAT HE IS TELLING BLANCON AND JUSTILLO VIA [REDACTED] AND OUT-BRIEF.

6. (C) ASSUMING YOUR APPROVAL, I WILL SEND RODRIGUEZ TO [REDACTED] [REDACTED], 15 FEB, ON ONE OF MY C-125. HE WILL ARRIVE AROUND 1100 LOCAL. HE IS A LONG-TIME FRIEND OF LOU RODRIGUEZ AND, IF AVAILABLE, WOULD APPRECIATE IT IF LOU COULD BE HIS CONTACT POINT. I ANTICIPATE HE WILL WANT TO DEPART FOR MIAMI ON SATURDAY.

DECLAS OADR

SSO NOTE: DELIVER IMMEDIATELY.

W220

Partially Declassified/Released on 30 July 1987

under provisions of E.O. 12356

by B. Reger, National Security Council

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NO DATE
D 23180
File
for me
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BACK CHANNEL

Partially Declassified/Selected on 30 July 1987
under provisions of E.O. 12356
by S. Rader, National Security Council

ACTION: STATE-RCI, IMMEDIATE
USSOUTHCOM, IMMEDIATE

EYES ONLY FOR AFA MOTLEY AND JOHNSTONE; SOUTHCOM FOR GENERAL
GORMAN FROM PICKERING

SUBJ: MEETING WITH FELIX RODRIGUEZ

1. I HAD A VALUABLE MEETING WITH FELIX RODRIGUEZ FEBRUARY 15.
2. HE HAS OUTLINED A TACTIC WHICH I BELIEVE HAS MERIT AND SHOULD
BE TRIED OUT, VIZ:



OBVIOUSLY [REDACTED] IN VARIATIONS ARE POSSIBLE, BUT WE WILL HAVE TO
INTEGRATE [REDACTED] ISSUE AND HANDLE IT BETTER THAN EVER
BEFORE IF IT IS TO WORK, SOMETHING I AGREE WITH ON ITS OWN.

3. RODRIGUEZ WILL RETURN IN 3-4 WEEKS TO WORK WITH BUSTILLO
(FAS) AND STEELE. STEELE WILL MONITOR CLOSELY. RODRIGUEZ UNDER-
STANDS MY GENERAL RULES -- NO CIVILIAN CASUALTIES AND HE IS NOT
TO ACCOMPANY FAS ON COMBAT MISSIONS AND AGREES. WE WILL START

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STEELE EXHIBIT #3

305

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SLOWLY AND CAREFULLY TO SEE WHAT APPROACH CAN PRODUCE. HE WILL
TAKE ON HIGHER PRIORITY [REDACTED] MISSION FIRST.

4. FOR ARA: PLEASE BRIEF DON GREGG IN VP'S OFFICE FOR ME.

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OFFICE OF THE VICE PRESIDENT
WASHINGTON

(1024) - N 22516 29 APR

April 29, 1985

Exhibit-Steele #24

Colonel James Steele
U.S. Military Group Commander
El Salvador
APO Miami, Florida 34023

Dear Colonel Steele:

I received late last week an extraordinary letter from Felix Rodriguez telling me of the success of his first operation in El Salvador. This brought great joy and satisfaction to my heart as Felix and I worked very closely in Vietnam and I felt certain that what we had done there could also be done in El Salvador.

I want to thank you for giving Felix your confidence and support, without which he feels he could not have gotten things under way. Felix is an extraordinary man and I hope your association with him is a long and happy one.

With warm regards,

Sincerely,

Don Gregg
Donald P. Gregg

Assistant to the Vice President
for National Security Affairs

*Tell Felix not to take
too many chances!*

(1024)

~~Classified~~ Declassified/Released on 5-26-87
under provisions of E.O. 12333
by R. Regis, National Security Council

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STEELE
EXHIBIT
#4

1025-N23517-20
Exhibit - Steele #34

Dear Don:

Finally I am able to write to you with some good news.

Last four years were very hard for me. First, people were reluctant to understand my intentions here without any ~~of~~ participation. They were looking and trying to find an employer that did not exist. Despite Mr. Don, it was hard. A lot of wise remarks about my concept. The only individual that stood by me and encouraged me the whole time is Colonel James Steele, the U.S. Air Group Commander for El Salvador. He understood, believed and supported my concept. I planned my first operation for April 1966 with good intent. I wanted to turn that date, November 1966, into a successful one, as 24 years later;

[REDACTED]

did not follow my concept at all and it was given a tragic disaster. That same morning, as soon as I returned, I briefed Colonel Steele and I was so dismissed after

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Family Division of Released on 5-26-87
under provisions of E.O. 12355
by B. Reiter, National Reading Council

DON'T QUITE ON ME. [REDACTED] AND HE MET
 WITH [REDACTED] PEOPLE (POINTING AT)
 THE MISTAKES THEY HAD ON THE OPERATION.
 WHAT CAME OUT OF IT WAS, THAT THEY
 CAME TO ME AND SAID THAT THEY WERE
 READY TO TRY MY CONCEPT AGAIN THAT
 SAME DAY. IN THE AFTERNOON AND THAT
 THEY WERE GOING TO ADHERE STRICTLY
 TO MY CONCEPT.

TO TELL YOU THE TRUTH DON, THE
 ONLY REASON THEY WERE DOING IT WAS
 BECAUSE THEY WERE CONVINCED THAT WE
 WERE NOT GOING TO GET ANY RESULTS
 AND TO EMBARRASS COL. STILLE REMAINING
 EMPTY-HAND. UPON TAKING OFF I HEARD
 REMARKS LIKE: "HERE WE GO TO WIN
 THIS WAR" ETC ETC.

I PRAYED HARD THAT WE COULD GET
SOME RESULTS AND BY GOD, DON, I GOT
THE HELL OF A GOOD RESPONSE FROM UP
THERE.

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NO MORE WILL REMAIN AND ALL COMING
MUNDAY I WAS NAMED BY [REDACTED]
A MEETING FOR MY COMING TO JOINT OPERATION
FOR IMPROVING IT AND GO FROM THE TASK
EITHER WITH MY CONCEPT. FINALLY I AM IN
WITH THEM.

Now, I thank you AND THE VICE-PRESIDENT.
FOR SUPPORTING ME, WITHOUT YOUR HELP I COULD
HAD NEVER MADE IT HERE. I hope that this
is ONLY THE BEGINNING AND AS I PROMISE
YOU WHEN I DEPARTED FROM D.C., I WILL
GIVE ALL I GOT IN THIS REPORT AND
I WILL NOT LET YOU DOWN.

GIVE MY BEST REGARDS TO PHILIP, TELL
HIM THAT I WENT TO SAY HI! TO [REDACTED]
[REDACTED] OUT [REDACTED] TOLD ME THAT HE DID
NOT RECALL KNOWING HIM, IS HIS YES BUT [REDACTED]

Now I GOT PLANTS OF FRIENDS HERE
AND I AM CONFIDENT IN SUCCESSFULLY ESTABLISHING
THE OPERATIONAL CURRENT.

YOU CAN HAVE ALL
CL JAMES STEEC
U.S. MIL-OP COMMANDER
EL SALVADOR
APO MIAMI, 34023

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if you write a note for CL. STEEL in
 total, also without his support I
 would have been gone before all of
 this. Now as I said I got all kind
 of friends and supporters but here he
 was the only one who stood by me
 before this kind operation.

Give him my regards to the
 Vics. President, and family.

Best of all to you and
 me and I hope you can visit
 me here soon.

With best regards



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22 AUG 85

R D 000018

PATTON, BOGGS & BLOW
2550 M STREET, N. W.
WASHINGTON, D. C. 20037
202 457-6000

ITT TEL#: 440324

TNY TEL#: 87780

SAVERI ARKATA

P. O. BOX 104

HARRIS STREET

AL HARRIS, SHERMAN ARKATA

P.O. BOX

TEL: 87-100

August 22, 1985

(202)457-6333

RECEIVED MAY 0 8 1986

Mr. Richard V. Secord
Suite 205
440 Maple Avenue East
Vienna, VA 22180

Dear Dick:

Enclosed is a memorandum which summarizes our research
into questions raised under the Neutrality Act.

With best regards,

Sandy
Middleton A. Martin

5724

Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

**UNCLASSIFIED**

006459

UNCLASSIFIEDATTORNEY-CLIENT COMMUNICATIONS
PRIVILEGED AND CONFIDENTIAL

August 21, 1985

MEMORANDUM

R D 000019

Re: Applicability of the Neutrality Act

This memorandum addresses the applicability of the prohibitions of the Neutrality Act, particularly 18 U.S.C. § 960, to actions undertaken in the United States in connection with the airlift of certain goods to insurgent forces in Nicaragua. The facts relating to this question are as follows:

Private individuals are considering arranging the initiation of negotiations between a non-U.S. company engaged in the business of providing contract airlift services (the "Company") and representatives of insurgent forces seeking the overthrow of the present government of Nicaragua. These arms-length negotiations would be intended to establish a commercial relationship whereby the Company would airdrop various supplies, including ammunition and other implements of war, into Nicaragua for use by the insurgents. All services would be provided outside the U.S. and be paid for with non-U.S. funds.

The Company would not transport insurgent personnel for military or any other purpose, nor would the Company otherwise participate beyond provision of airlift services in insurgent activities. Similarly, although the U.S.-based individuals arranging for the initiation of these negotiations are fully aware that the airlift services would be in support of the insurgents, such individuals would not participate in the provision of such services nor otherwise combine with the insurgents to further the insurgents' military objectives.

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R D 000020

Analysis

The statute most directly relevant to the scenario set forth above is 18 U.S.C. § 960, which provides:

Whoever, within the United States, knowingly begins or sets on foot or provides or prepares a means for or furnishes the money for, or takes part in, any military or naval expedition or enterprise to be carried on from thence against the territory or dominion of any foreign prince or state, or of any colony, district, or people with whom the United States is at peace, shall be fined not more than \$3,000 or imprisoned not more than 3 years, or both.

This provision grows out of a statute originally passed in 1794 as part of the early U.S. government's attempts to avoid foreign entanglements stemming from the use of the United States as a staging ground for private military actions against otherwise friendly governments. The basic elements of a violation of this statute are:

1. The actions (or planning for the actions) must take place, at least in part, in the United States;
2. The actions must constitute "knowing" provision of assistance;
3. The actions must be in support of or constitute participation in a military expedition; and

1/ Also arguably relevant to these facts is 18 U.S.C. § 956, which prohibits any conspiracy "to injure or destroy specific property situated within a foreign country and belonging to a foreign government or within the political subdivision thereof with which the United States is at peace." Exposure under this provision is considerably more attenuated under the proposed airlift contract, however, because of the requirement for injury or destruction of specific property.

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R D 000021

4. The military expedition must be against the government of a nation with which the United States is at peace.

As these elements relate to the proposed Nicaraguan airlift, three of the four elements of a violation would be met. Preliminary arrangements for the airlift would occur in the United States, with knowledge of the use which would be made of the airdropped supplies, and the airlift would constitute assistance to insurgents acting against the government of Nicaragua, a government with which the United States is presently at peace.

The propriety of the proposed arrangement therefore will turn on whether or not the airlift itself constitutes a "military expedition or enterprise," as that term has been defined in the case law relating to the statute. Most of the cases dealing with 18 U.S.C. § 960 (or its predecessors) reflect prosecutions undertaken in the 19th century. The leading case is Wiborg v. United States, 163 U.S. 632 (1896), in which the U.S. Supreme Court reviewed a conviction under the Neutrality Act for the assistance provided by a ship captain in transporting a group of armed men who mounted a military expedition against the Spanish government in Cuba. In finding that the transport of men and arms for landing in Cuba was participation in a military expedition, the Supreme Court expressly acknowledged that the mere transport of arms to another country is not, in itself, an actionable offense under the Neutrality Act. Rather, it is a commercial transaction subject to the risk of capture as

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R D 000022

contraband of war by the foreign power against which such arms were to be used. Because the men and arms aboard the defendant's vessel were clearly undertaking a military expedition against the Spanish government in Cuba of which the defendant had knowledge, and the arrangements for the transport were made within the United States, the ship captain was found to have been guilty of a Neutrality Act violation by providing the transportation.

A similar analysis can be seen in the case of United States v. Nunez, 82 F.599 (S.D.N.Y. 1896), in which the court considered the propriety of the transportation of men and arms in connection with an expedition against Cuba. In analyzing what constitutes a military enterprise, the court cited the Supreme Court's definition in Wiborg that a military expedition is "a journey or voyage by a company or body of persons, having the position or characteristics of soldiers, for a specific warlike purpose." The court in Nunez identified the "essential features" of a military enterprise as: "concert of action, unity of action by a body organized and acting together, acting by means of weapons of some kind, and action under command leadership." The court reiterated that:

There is nothing in this statute which prohibits a commercial enterprise. The transportation of goods in a commercial way, whether it be contraband of war or not, is not prohibited by the fact that other nations are at war, or that a colony is in a state of insurrection against the parent country. . . .

Because, in the Nunez case, the men and arms were clearly acting for military purpose, the arms removed from boxes aboard ship and

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R D 000023

the men drilled on deck during the transport, those providing the transportation were guilty of violation of the Neutrality Act.

Conclusion

While these cases are very old, the Supreme Court's interpretation in Wiborg of what constitutes a "military enterprise" for purposes of a violation of the Neutrality Act has not been modified or overturned by court action since that time. Wiborg and the cases which follow it establish that a "military enterprise" contemplated by the statute must be comprised of men and arms with a military purpose and that mere transportation of arms to insurgent forces, without more, does not constitute a "military enterprise" or preparing the means for a "military enterprise." Applying the Supreme Court's interpretation of the Neutrality Act to the proposed Nicaraguan operation, the provision of contract airlift services as described above would not be conduct proscribed by the Neutrality Act. As long as the airlift operations transport only supplies (whether or not including implements of war), but not men, and as long as the persons engaged in arranging or providing the airlift services do not also engage in broader planning or action in concert with others to combine these supplies with insurgents on the ground for military purposes, those providing the transportation of supplies have not begun, or provided the means for any military expedition within the meaning of the statute. A federal prosecutor acting in the mid-1980s could always take a more expansive view of the type of conduct proscribed by the

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R D 000024

statute, but he would have to overcome the weight of judicial authority or find other facts which tended to support the existence of a "military enterprise."

One final note: the Neutrality Act has been neglected by prosecutors since the First World War. However, in the last few years, efforts by those opposing U.S. actions in support of the insurgency in Nicaragua have attempted to compel enforcement by the Justice Department of the Neutrality Act by resort to the Ethics in Government Act under which the Attorney General is required to conduct an investigation upon receipt of information that a government official has violated the law. This was the issue in the 1984 case of Dellums v. Smith, 577 F. Supp. 1449 (N.D. Cal. 1984). In that case, the court held that a preliminary investigation was required upon presentation to the Attorney General of evidence of federal criminal actions by federal officials. The court expressly rejected the Department of Justice's attempts to raise prosecutorial discretion as a bar to such suits. "Public interest" actions to compel Justice Department investigation of such activity therefore remain a possibility.

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8/86
Aug 86

CONTRADICTORY. YOU NEED TO TAKE ALL THE
 BEST TASKING PROBLEMS TO STEEL. HE IS
 NOW THE [REDACTED] USA REPRESENTATIVE WITH
 INTEREST IN OUR OPERATIONS. I WANT HIM
 TO BE KEPT UP TO SPEED ON ALL OUR
 EFFORTS AND PROBLEMS. I I CANT MAKE ANY
 COMMITMENTS AS TO YOUR PROPOSED
 PROCEDURES WITHOUT SOME IDEA OF WHERE
 YOU WILL BE WORKING. WHAT ARE THE
 COORDINATES? WHAT IS YOUR PROPOSED
 ROUTING? THERE ARE OTHER QUESTIONS I
 PUT IN THE PREVIOUS MSG. THAT YOU HAVE
 NOT ANSWERED. I. STEEL MAY BE ABLE TO
 HELP WITH [REDACTED] REQUESTS AND
 CLARIFICATIONS OF MISSION
 PARAMETERS. USE HIM. HE IS A FRIEND.
 AWAITING YOUR ANSWERS. BOB BT.

781- R D 000387
 Steele #24 - exhibit
 Index 24

781

7 May 87
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 100-100000-1000-01-100000
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STEEL EXHIBIT #6

11 Aug 86

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SECRET

22-0000000000 1. YOU NEED TO PASS ALL INFO
GETTING PROBLEMS TO STEELE. HE IS
NOW THE [REDACTED] MSG REPRESENTATIVE WITH
INTEREST IN OUR OPERATIONS. I WANT HIM
TO BE KEPT UP TO SPEED ON ALL OUR
EFFORTS AND PROBLEMS. I CAN'T MAKE ANY
DECISIONS AS TO YOUR PROPOSED
PROCEDURES WITHOUT SOME IDEA OF WHERE
YOU WILL BE WORKING. WHAT ARE THE
COORDINATES? WHAT IS YOUR PROPOSED
ROUTING? THERE ARE OTHER QUESTIONS I
BUT IN THE PREVIOUS MSG. THAT YOU HAVE
NOT ANSWERED. 3. STEELE MAY BE ABLE TO
HELP WITH [REDACTED] REQUESTS AND
CLARIFICATIONS OF MISSION
PARAMETERS. USE HIM. HE IS A FRIEND.
AWAITING YOUR ANSWERS. SOS ST. FOR
STEELE FROM HQ ALLISTER.

R D 000384



Partially Declassified/Released on 11 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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Steele #7
R. H. H. H.

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Exhibit
Steele #8

[REDACTED]

NO DATE

1 page

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8/22/86
22 Aug 86

011400ZMIA 1. WHEN DO YOU PLAN TO TRY
DROP AGAIN? WHAT ARE COORDINATES OF 10?
WHAT ARE DD MARKING? RADIO CONTACT
PROCEDURES? WHAT MATERIAL ARE YOU
DROPPING? WHO HAS COORDINATED THE DROP?
WHAT IS ENEMY SITUATION IN DD AREA? HAS
STEELE BEEN INFORMED OF MISSION? HAS HE
PROVIDED ANY SUPPORT? 2. WANT YOU TO
CONTACT STEELE AND EXPLAIN WHAT HAPPENED
IN THE MISINFORMATION CONCERNING THE
PREVIOUSLY CANCELED DROP. IMPORTANT
THAT KIND OF BAD PRESS NOT GET PASSED
AROUND. ADVISE ME WHEN STEELE IS
INFORMED AND HIS REACTION. ALSO HE
SHOULD BE AWARE OF YOUR CURRENT MISSION
AND SHOULD PROVIDE WML INTEL, ETC. PRIOR
TO DEPARTURE. 3. GLAD TO SEE YOUR
RELATIONSHIP WITH [REDACTED] IMPROVING.
CONTINUE TO WORK CLOSELY WITH HIM. WE
NEED HIS SUPPORT. BOB BT.

R D 000388

cross - Steele #24

782

Declassification/Release on 12 May 87
under provisions of E.O. 13526
by D. Steele National Security Council

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00334

STEELE EXHIBIT #9

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8/20/82
20 Aug 86

201420Z AUG 86 FRM MAC..REF YOUR
DISCUSSION W/ DICK LAST NITE. IN MY TALK
WITH STEELE LAST WEEK, I REQUESTED THAT
HE MAKE THE SITUATION CLEAR TO [REDACTED]
AS TO THE OWNERSHIP OF THE AIR ASSETS
AND ASSOCIATED EQUIP. HE WAS TO INFORM
HIM THAT WHILE THE ASSETS WERE MADE
AVAILABLE TO THE CAUSE, THEY BELONGED TO
A PANAMA BASED COMPANY AND THAT UPON
COMPLETION OF THEIR SUPPORT WORK HERE
THEY WERE TO BE RETURNED TO THAT COMPANY
FOR FUTURE DISPOSITION. STEELE FELT
THAT HE WOULD HAVE TROUBLE GETTING
[REDACTED] TO ACCEPT THIS UNTIL HE COULD
SEE WHAT TYPE OF SUPPORT WAS COMING IN
TO REPLACE US. THIS MATCHES WHAT DICK
SAID TO YOU ABOUT GETTING A FIRM PLAN
FROM THE CIA AS TO THEIR PROGRAM FOR AIR
SUPPORT. THIS WE MUST GET ASAP AND PASS
TO STEELE TO PAVE THE WAY FOR OUR
DEPARTURE. IF WE DONT GET IT, OUR
WITHDRAWAL COULD BE A MESSY AFFAIR.
SUGGEST YOU TALK TO STEELE AND CONFIRM
THAT WE ARE GOING AFTER THE CIA PLAN AND
WILL ADVISE HIM ASAP. BOB BT.

R D 000394

789
Declassified and Released on 17 May 87
under provisions of E.O. 12356
by G. Reiter, National Security Council

Cross to Steele #24/exhibit

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STEELE EXHIBIT #10

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STEELE #11

11/1/76

1 PAGE

DENIED IN

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5727

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13 Aug 86~~SECRET~~

17 Aug 86
131000Z AUG. 1. CONDUCT EMERGENCY
RECALL IMMEDIATELY. BRING THE
MAINTENANCE AND AIRCREWS OUT OF THERE
QUIETLY, BUT QUICKLY. LEAVE ALL THE
EQUIPMENT, INCLUDING AIRPLANES. BRING
BACK ONLY PERSONAL EQUIP. 2. DESTROY
REGISTRATION PLATES ON A/C IF POSSIBLE.
BUT DON'T DAMAGE THE A/C. 3. AT [REDACTED]
[REDACTED] BOB, BACON, AND OLMSTEAD SHOULD
GET TOGETHER. THE AIRFIELD REVERTS TO
BACON'S CONTROL. 4. STEELE IS
RECONSIDERING MEETING W/ YOU AND MAY
CALL YOU. 5. IF HE HELPS PERHAPS THIS
THING CAN BE PATCHED BACK TOGETHER FOR
THE TRANSITION. BUT FOR THE MOMENT THE
PEOPLE MUST BE GOTTEN OUT OF THERE. BT

R D 4671

~~SECRET~~

1
131045Z AUG 86 1. THERE IS MORE THAN 1
MT. DOLLARS WORTH OF EQUIPMENT, SPARES,
[REDACTED] LOCATED AT [REDACTED] I PRESUME YOUR MSG
RESULTS FROM TELECON WITH OLLIE. IF SO
I MUST REMIND YOU THAT THESE ASSETS ARE
OWNED BY UGALL RESEARCH CORP AND THERE
IS NO INTENTION OF ABANDONING THEM. 2. I
INSIST ON IMMEDIATE MEETING BETWEEN BOB
AND STEELE OR I WILL SEEK OUT THE
AMBASSADOR AND RESOLVE THE ISSUE. DICK

STEELE
EXHIBIT
#12~~SECRET~~

17 Aug 86

1. MY READING IS IT RESULTS FROM YOUR
REPORT LAST NIGHT THAT [REDACTED] AND [REDACTED] HAD
BEEN DIRECTED HANDS OFF BY DCI. COMBINED
WITH MY REPORT THAT JIM DIDN'T WANT TO
MEET WITH YOU, SUPPOSEDLY AT DIRECTION
OF THE AMBASSADOR. 2. THE THREAT OF A
LAW SUIT AGAINST [REDACTED] FOR AIR PIRACY
HAS APPARENTLY REALLY POISONED THE
ATMOSPHERE FOR [REDACTED] AND FOR THE
AMBASSADOR ABOUT THE GOOD INTENTIONS OF
THE COMPANY. BT.

1807

Partially Declassified/Released on 8 July 1998
Under Provision of E.O. 12356
By E. B. [REDACTED] National Security Council

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SECRET

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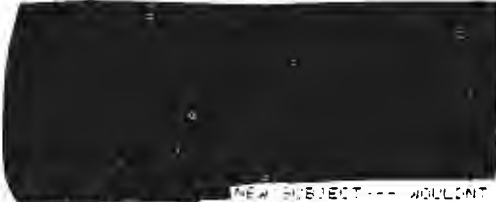
96/a

STEELE EXHIBIT #13

09317

UNCLASSIFIED

note



R D 000393

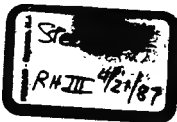
NEW SUBJECT --- WOULNT
 IT BE THAT IF THE AGENCY TO BUY THE
 WEETS EMPLOY SOME OF THE PEOPLE RATHER
 THAN START OVERALL IF THEY GO OUT AND
 START BUYING OTHER EQUIPMENT IT JUST
 SEEMS LIKE A WASTE OF GOOD MONEY. THATS
 A PERSONAL OBSERVATION ONLY. BT

A



Non Relevant

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STEELE EXHIBIT #14

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Exhibit

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HSITS 533 1871

DEPOSITION OF WILLIAM H. TAFT, IV

Thursday, June 25, 1987

United States Senate

Select Committee on Secret

Military Assistance to Iran

and the Nicaraguan Opposition

Washington, D. C.

Deposition of WILLIAM H. TAFT, IV, called as a witness by counsel for the Select Committee, at the office of Deputy Secretary of Defense Taft, The Pentagon, Washington, D. C., commencing at 3:17 p.m., the witness having been duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

Partially Declassified/Released on 12-23-87
under provisions of E.O. 12356
by N. Menan, National Security Council

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2

1 **APPEARANCES:**

2 On behalf of the Senate Select Committee on Secret
3 Military Assistance to Iran and the Nicaraguan
4 Opposition:

5 JOHN SAXON, ESQ.
6 Associate Counsel

7 On behalf of the House Select Committee to
8 Investigate Covert Arms Transactions with Iran:

9 JOSEPH SABA, ESQ.
10 ROGER KREUZER
11 ROBERT GENZMAN
12 On behalf of the witness:
13 LARRY GARRETT, ESQ.
14 General Counsel
15 ED SHAPIRO, ESQ.
16 Department of Defense

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3

1	C O N T E N T S		
2	EXAMINATION ON BEHALF OF		
3	WITNESS	SENATE	HOUSE
4	William H. Taft, IV		
5	By Mr. Saxon	4	
6	By Mr. Saba		87
7	By Mr. Kreuzer		93

8	E X H I B I T S		
9	Taft EXHIBIT NUMBER	FOR IDENTIFICATION	
10	1	19	
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14	5	25	
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4

1 PROCEEDINGS

2 Whereupon,

3 WILLIAM H. TAFT, IV,

4 called as a witness by counsel on behalf of the Senate
5 Select Committee and having been duly sworn by the Notary
6 Public, was examined and testified as follows:

7 EXAMINATION

8 BY MR. SAXON:

9 Q Mr. Secretary, would you please state your
10 name, sir?

11 A My name is William Taft.

12 Q And what is your current position?

13 A I'm the Deputy Secretary of Defense.

14 Q How long have you been in that position?

15 A Since February of 1984.

16 Q And what were you doing immediately prior to
17 assuming that position?

18 A I was the General Counsel of the Department.

19 Q And how long were you General Counsel?

20 A From April of 1981 until February '84.

21 Q Mr. Taft, if you would, let's focus first on
22 the Iran arms initiative portion of the matters we're
23 inquiring into and tell us when you first knew of what we
24 are now calling the Iran initiative -- and that is before
25 we were talking expressly about any arms going to Iran,

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1 when were you made aware that the White House was
2 considering opening or attempting to open some channel of
3 communication with the Iranians to improve relations?

4 A Well, this would always have been a
5 possibility, I suppose, but as a formal matter I don't
6 think that there was any discussion about it on paper
7 requesting an initiative to go forward that I was aware
8 of until probably the middle of 1985.

9 Q And would that be the draft NSDD that Mr.
10 McFarlane sent the Secretary and Secretary Shultz for
11 comment?

12 A Yes.

13 Q And you at that time did see a copy of that?

14 A Yes, I think I did. I must say I can't
15 remember it very clearly, but I have seen in my own
16 files, you know, that I was provided with a copy.

17 Q Do you recall having been part of any
18 discussions at that time about the draft NSDD?

19 A No, not really. Conceivably I was out of town
20 at the time, but I don't remember any meetings.

21 Q All right. From the point at which Mr.
22 McFarlane sends the draft NSDD and a response is prepared
23 here and sent back, I guess I should say prior to its
24 going over, did you see a draft of the Secretary's
25 response?

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1 A I don't know whether I did or not. I
2 sometimes do see those and sometimes not. I don't know
3 whether I saw that one or not.

4 Q From that point forward what is the next event
5 of which you had knowledge or involvement regarding the
6 Iran initiative or the shipment of U.S. arms to Iran
7 either directly or through Israel?

8 A The subject came up after that, to my
9 knowledge around the end of the year or early in '86, and
10 it came to my attention through a request that I

11 [REDACTED]
12 [REDACTED]
13 [REDACTED]

14 I have not been able to exactly identify when
15 that was, although I've tried to. But I haven't been
16 able to locate the thing that I seem to remember. And it
17 would have been, I think, though, towards the end of '85
18 or beginning of '86.

19 Q I believe when we met with you previously for
20 an informal interview, which for the record would have
21 been April 27, 1987, you told us that you processed two
22 of those requests that came to mind -- one in October of
23 '85 and one, I believe, in March or April of '86, but
24 that your recollection was that you actually found out
25 about this initiative in February, which didn't neatly

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1 fit either of those two [REDACTED]

2 Have you been able to better date?

3 A No, I haven't. And I guess that would remain
4 the record on it as far as we can develop it. But it
5 doesn't corroborate my active memory of it. I'm very
6 sure that I knew about it before March, but I don't
7 recall knowing about it as early as October.

8 Q We now know from what record has been put
9 forward publicly thus far in our hearings that there were
10 discussions in the fall of 1985 about the shipment of
11 HAWK missiles to Iran and in fact that 18 U.S.-provided
12 missiles went from Israel to Iran.

13 Did you have any knowledge at the time of
14 those transactions that they were taking place?

15 A No, I didn't. In fact, I think my first
16 knowledge of those Israeli transactions was perhaps a
17 year later.

18 Q How did you become aware in early '86? You
19 say it was in the process of handling the [REDACTED]
20 [REDACTED]

21 A Yes. Well, that's my recollection. And when
22 I was doing this I decided that it was something that
23 certainly the Secretary of Defense should be aware of.
24 As a rule I don't discuss these [REDACTED]
25 with him. Most of them are relatively routine [REDACTED]

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8

1 of [REDACTED] but this one seemed out of the
2 ordinary and a subject that he would be interested in,
3 that such negotiations would be going on.

4 And I went and discussed it with him and he
5 informed me of the nature of the program, the status of
6 it.

7 Q What did he tell you?

8 A Well, I can't remember precisely any single
9 conversation, but certainly that he was aware of the
10 initiative and that I should go along and proceed with
11 the [REDACTED] that was before me.

12 Q And approximately when would this have been?

13 A This would have been around the turn of the
14 year, is my best recollection, but I can't locate it any
15 more precisely than that for sure.

16 Q Do you know if there had already been the
17 December 7 meeting at the White House at which the
18 Secretary apparently expressed his opposition to the
19 initiative fairly strongly?

20 A I think that there would have been -- there
21 certainly had been a meeting. Now whether it was a
22 December meeting or a January meeting -- I believe there
23 was another meeting in January at which the item was
24 discussed. It might have been after that. I don't know.

25 Q Did he tell you at whichever meeting had

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1 preceded your discussions with him that he had opposed
2 the initiative vigorously?

3 A Yes. He told me that he had recommended
4 against pursuing the initiative but that the President
5 had decided to pursue it.

6 Q And did he tell you what his reasons for
7 opposition were?

8 A I don't want to in replying suggest that all
9 of this is the product of a single conversation, but over
10 a period of conversations, perhaps, or maybe in one I
11 certainly came to know what his reasons were. And in
12 fact they were the same reasons as he had had for
13 opposing the initiative in the middle of 1985 -- that he
14 did not believe that the Iranians were people with whom
15 we could deal and that our ability to obtain any benefit
16 from dealing with them was a mirage, and that we
17 shouldn't try to deal with them.

18 He would add to that, in the context of the
19 particular program, that the connection of dealing for
20 hostages was not a wise one. So there were two bases by
21 then. But certainly the basis on which he had opposed
22 the July suggestion would carry right through.

23 Q Did he either in the first discussion or
24 subsequent discussions raise any legal arguments against
25 the initiative?

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1 A I don't recall that. I think that there were
2 legal difficulties in handling the program if we had done
3 it from the Department of Defense, but inasmuch as --
4 because of the Arms Export Control Act provisions and
5 reporting requirements. But inasmuch as the Central
6 Intelligence Agency was handling it I believe he had been
7 satisfied that there was legal authority to do it the way
8 it was being done.

9 Q Did he tell you how he had been satisfied or
10 by whom that there was legal authority to proceed?

11 A I believe that -- and I wouldn't know, again,
12 at what point I would have become aware of this, but I
13 certainly became aware probably from the Secretary that
14 the Attorney General had passed on the question.

15 Q And did you know whether Attorney General
16 Meese had given a written opinion or an oral opinion, or
17 did you know?

18 A I didn't know for sure, no.

19 Q Mr. Secretary, in sworn testimony to our
20 committee in the form of depositions and also on Tuesday
21 afternoon in his publicly sworn testimony, Mr. Noel Koch
22 relayed to us a meeting which he places you at in which
23 he had returned from his negotiating session where he had
24 met with a representative of the Israeli purchasing
25 office in New York to attempt to get the price of a basic

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1 TOW missile up from an unreasonably low floor that
2 apparently Michael Ledeen had fixed it at in negotiations
3 with the Israelis.

4 Mr. Koch says he notified then-Major General
5 Colin Powell, the Secretary's senior military assistant,
6 that he had had this negotiating session. General Powell
7 said, go tell the old man, meaning we need to go down to
8 the Secretary, and that the two of them went into
9 Secretary Weinberger's office, that you were already
10 there and a previous meeting was breaking up, and certain
11 participants were leaving, and there ensued a discussion
12 about the arms initiative, at which point in passing and
13 half in jest Mr. Koch made the statement, words to the
14 effect, you know, this is politically stupid, this is
15 diplomatically stupid.

16 I wonder if this is legally stupid. Do we
17 have any problems? Is this legal? Can anybody go to
18 jail? At which point, according to Mr. Koch, Secretary
19 Weinberger responded in the affirmative and said yeah, it
20 might be illegal and yes, people could go to jail.

21 I'm not asking you to comment if there were
22 such a statement on whether it would be correct or not,
23 but to your recollection do you recall being present at
24 such a meeting, and, second, do you recall any
25 conversation along the lines I have just related?

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1 A I recall being present in at least one
2 conversation on this subject with Noel Koch.

3 Q With Secretary Weinberger?

4 A With Secretary Weinberger, but with Noel
5 participating in it. There may have been more than one,
6 but I'm not sure about that. If it was only one, I would
7 have been inclined to place it later in the year, but it
8 could be that I was, as you say, in the room and at a
9 meeting. What was the date of this meeting? Did he
10 place that?

11 Q Well, his negotiating session at the airport,
12 National Airport, he dates on Sunday, January 12, and
13 believes that the following day, the 13th, he called
14 General Powell and thinks that probably that same day
15 that toward the end of the day, when General Powell
16 thought they could squeeze it in and catch the Secretary
17 for a few minutes that that's what happened.

18 In any event, he thinks it was the week
19 following January 12, 1986.

20 A I would have to check my calendar to see if I
21 was there, and it might not reveal it if it came up in
22 the way that he suggests. But it might. I mean, it
23 might say I was in New York or something; I don't know.

24 But I don't recall specifically that meeting
25 nor that conversation.

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1 Q So if I understand what you are telling us,
2 you do recall being present in a meeting at some point
3 but you think perhaps later in the year with Mr. Koch and
4 the Secretary in which this general subject was
5 discussed?

6 A Right.

7 Q But as to that precise date and the particular
8 discussion about any possible legal questions, you do not
9 recall?

10 A I do not recall that, no.

11 Q Did Secretary Weinberger ever tell you, either
12 at the time this was happening or subsequently, what he
13 thought had happened to permit the arms initiative to
14 survive the month period from December 7, 1985, when both
15 he and General Powell and Secretary Armitage all agreed
16 that the Secretary came back and relayed to them words to
17 the effect, I think this baby should be strangled in the
18 cradle, and a clear consensus from others at the meeting
19 that it was not going forward, to the period of January
20 7, when there was an additional meeting held with all of
21 the same players, except that at the January 7 meeting
22 Mr. Casey was present rather than his Deputy, Mr.
23 McMahon, who had been at the December meeting, at which
24 point it went forward, did he ever explain to you or
25 offer a theory as to what transpired during that month?

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1 A No, not specifically. In a general way the
2 Secretary is fond of saying that nothing is ever dead in
3 Washington, and he never assumes that anything is dead or
4 strangled in its cradle. So I'm sure it didn't surprise
5 him that it came back up again. Many things do, and this
6 thing had before. But he never described to me exactly
7 how it was killed or not killed, or revived.

8 Q In the period after the January 7 meeting and
9 the week or two between January 7 and January 18, when
10 General Powell calls General Maxwell Thurman, who at the
11 time was the Acting Chief of Staff of the Army, and goes
12 forward with the requirement for the Army to supply TOW
13 missiles to the CIA, were you aware of any discussions
14 that the Secretary participated in or, for that matter,
15 anyone else at DOD with regard to the issue of a
16 Presidential Finding subsequent to which or pursuant to
17 which the transfer went forward?

18 A I believe there was an understanding that
19 there either was or would be a Presidential Finding that
20 was part of the regularizing and authorizing of this
21 whole activity.

22 Q Did you come to that understanding at the
23 time, or did you learn that much later?

24 A No. I think that was at the time.

25 Q To your knowledge did Secretary Weinberger

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1 ever have the legal aspects of a Finding staffed? Did he
2 ever have anyone here in the building look at the Finding
3 to do a legal analysis of it or provide legal input into
4 it, or for any other reason? Are you aware of the
5 Finding being looked at over here and being staffed over
6 here?

7 A I don't believe that that was done. I believe
8 that we were assured or -- I mean, the reason why it
9 wouldn't be done here is that the Agency and the Justice
10 Department were engaged and that was their assignment,
11 and the Secretary would be aware of that.

12 Q That would be the normal course of business.
13 I guess what I mean is in this particular case were you
14 aware that it may have made its way over here for any
15 legal review?

16 A No, I don't believe it did.

17 Q When the requirement was imposed on the Army
18 to provide initially 1,000 basic TOW missiles, with 3,000
19 more likely to follow on, did you have specific knowledge
20 of that event as opposed to the general understanding
21 that something was being discussed and talks were taking
22 place and so forth?

23 A I was aware that we were providing TOWs and
24 the number kept changing from time to time, but I would
25 hear about that.

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1 Q Who made you aware of that?

2 A I was aware of that from conversations with
3 General Powell and the Secretary and Mr. Armitage.

4 Q In mid to late January?

5 A It would have been that, and on through
6 February, because I don't think the matter was settled
7 all at once.

8 Q Did you have any involvement yourself in any
9 substantive decisions with regard to pricing of TOWs,
10 down-grading of I-TOWs into basic TOWs -- any of those
11 issues which were thoroughly investigated by the
12 Department of the Army IG?

13 A No. We were concerned that we be compensated
14 for the weapons that we were making available to the
15 Agency, and we instructed the Army to do that, to bill
16 them. But what price they were charging or that there
17 were different prices that might be considered, I was not
18 aware of that.

19 Q Were you ever party to any discussions about
20 the means or modalities for transfer to the Agency, by
21 which I mean whether, I guess, this would be an Economy
22 Act transfer, whether the Army would be able to charge
23 replacement price, et cetera?

24 A I understood this to be an Economy Act
25 transfer to the Agency and that whatever prices we'd

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1 charge in that circumstance would be charged, but I was
2 not aware of what the mechanism for determining those
3 prices would be.

4 Q At the point at which you indicated, from mid-
5 January on, you would have had discussions and been
6 updated periodically by the Secretary or General Powell
7 or Mr. Armitage, would you say that those were the only
8 individuals in addition to yourself at the Pentagon who
9 had knowledge of these transactions in terms of the arms
10 going to Iran?

11 A Well, no. Later on I was aware that people in
12 the Army, such as that I myself introduced to it -- in
13 fact General Wickham was one --

14 Q But you would not have told him these arms
15 were destined for Iran, did you?

16 A I don't recall. I think I probably did, but I
17 may not have. I don't recall specifically doing that,
18 but I think I probably would have.

19 MR. GARRETT: Excuse me. Are you talking
20 about the February time frame or later?

21 MR. SAXON: Well, I put it in the mid-January
22 to mid-February time frame.

23 THE WITNESS: Oh, no. I was thinking when I
24 talked to General Wickham about the HAWKS later.

25 BY MR. SAXON: (Resuming)

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1 Q That was in April?

2 A Yes. I think I told him they were for Iran,
3 but I'm not sure. But at that point he would have known
4 about the initiative. But the only other person besides
5 the ones you mentioned would be Noel Koch, who at some
6 point I came to be aware he was aware of it.

7 Q Do you recall any discussions about the
8 issue --

9 A And then Admiral Jones.

10 Q At the point at which General Powell left?

11 A Right.

12 Q We should say for the record that Vice Admiral
13 Donald Jones then became the senior military assistant to
14 Secretary Weinberger in place of General Powell.

15 A Right.

16 Q Were you aware of any discussions in this
17 earlier time frame of, say, mid-January through mid-
18 February about the issue of Congressional notification,
19 whether the Congress should be notified, who would do the
20 notifying -- any concern on the part of the Army that
21 Congress be notified as they read the newly enacted
22 Intelligence Authorization Act of FY 86? Were you a part
23 of any of those discussions?

24 A No. My understanding was -- and I imagine
25 this was because I was specifically told -- that the

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1 Congress was not going to be notified or had not been
2 notified and should not be notified, by me anyway.

3 Q Who told you that Congress should not be
4 notified, that a decision had been made?

5 A A decision had been made. Either the
6 Secretary or General Powell. It was something that we
7 all knew.

8 Q I want to show you and have marked as Taft
9 Deposition Exhibit 1 a series of essentially two
10 memoranda and one note, and it might help to start at the
11 back and look first at a memorandum dated 7 March 1986
12 from General Arthur Brown, the Director of the Army
13 Staff, in which he addresses the memo to General Powell
14 and it concerns Congressional notification.

15 (The document referred to was
16 marked Taft Exhibit Number 1
17 for identification.)

18 I'll give you a moment to look at it and then
19 by way of explanation General Powell puts his memo on top
20 of it addressed to Vice Admiral Poindexter, the National
21 Security Advisor, and then there is a memo on top from
22 Admiral Poindexter.

23 (Pause.)

24 For the record, Mr. Secretary, have you had a
25 chance to look at this?

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1 A Yes.

2 Q I don't know that there's any reason you would
3 have necessarily seen this document, but let me ask you
4 prior to today have you seen any of these documents, to
5 the best of your recollection?

6 A I certainly haven't seen the top one, this
7 handwritten note. I don't know whether I saw the other
8 ones or not. I don't recall seeing them.

9 Q The top one, for the record, is a handwritten
10 note from Admiral Poindexter with the initials JP to
11 Commander Thompson, the legal adviser to the NSC, whose
12 first name is Paul that says: Paul, put this with the
13 Finding. And it's our understanding this was put in the
14 safe in Admiral Poindexter's office with the Presidential
15 Finding.

16 Let me simply ask you if in the second
17 paragraph of General Powell's memorandum to Admiral
18 Poindexter, dated 12 March 1986, he says: The Secretary
19 asked that I make you aware of the Army's concerns in the
20 event you wish to advise the DCI or the Attorney General.
21 Were you aware of any discussions that the Secretary may
22 have had about the issue of Congressional notification
23 pursuant to General Brown's memorandum to General Powell?

24 A I can't give you, again, any specific
25 conversation or direction that I'm aware of, except that

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1 it was well known that this was not being notified -- not
2 well known. It was as well known as the program was.

3 Q It was well known among the few who knew about
4 the program.

5 A Right.

6 Q Mr. Secretary, let me back up for one moment
7 and show you what I'd like marked as Exhibit 2, portions
8 of a CIA document which is dated 3 December 86, and it's
9 a chronology of CIA involvement in the Iran arms
10 initiative, and I'm showing you simply the first page and
11 then what is the third page, and ask really that you look
12 at the second page, with the entry 6 October 85.

13 (The document referred to was
14 marked Taft Exhibit Number 2
15 for identification.)

16 (Pause.)

17 I would ask you if you think it's possible
18 that would be the October '85 [REDACTED]

19 [REDACTED] that you might have had knowledge of.

20 A Yes, it could be, because I believe my records
21 show that I did sign one in October.

22 Q Let me return to the issue of HAWKS to Iran in
23 November of '85 and ask that this next document be marked
24 as Exhibit 3. I will give you a moment to read that,
25 sir.

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1 (The document referred to was
2 marked Taft Exhibit Number 3
3 for identification.)

4 (Pause.)

5 By the way, this is a memorandum, a PROF note
6 from Colonel North to Admiral Poindexter and it bears the
7 date of 11/20/85. It's a bit confusing. Up at the top
8 it says "reply to note of 8/31/85", but there's a whole
9 series of these. It's like a rolling set of electronic
10 messages. The actual date is November 20, 1985.

11 A And you want me to read this?

12 Q Yes, sir, if you would.

13 (Pause.)

14 First, for the record, sir, I assume you have
15 not seen this particular document until today; is that
16 correct?

17 A That's right.

18 Q I want to direct your attention just to a
19 couple of statements in it. It is, as I said, a PROF
20 memo from Colonel North to Admiral Poindexter in which he
21 is discussing the planned shipment of 120 U.S.-provided
22 HAWKS from Israel to Iran. The first sentence says:
23 "The Israelis will deliver 80 mod-HAWKS [REDACTED] at noon
24 on Friday, 22 November."

25 Now in testimony which the Committees have

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1 received to date we know in fact from General Secord's
2 testimony that on November 25 18 U.S.-provided HAWKS
3 arrived from Israel in Tehran. If you go then to the
4 next full paragraph of the PROF note, Colonel North says:
5 "There is a requirement" -- he said above there 80, he
6 says here "there is a requirement for 40 additional
7 weapons of the same nomenclature, for a total requirement
8 of 120."

9 The first sentence of the third paragraph:
10 "Replenishment arrangements are being made through the
11 MOD purchasing office in NYC" -- New York City. If you
12 skip the next paragraph, in the first sentence of the
13 following paragraph he says: "As soon as we have the
14 release confirmed we need to move quickly with Defense to
15 provide the 120 missiles the Israelis want to buy."

16 In the context of this and other documents
17 it's clear that there was to be a replenishment of the
18 120 Israeli HAWKS. The first question, sir, did you have
19 any knowledge that we were sending 120 or had a plan to
20 send 120 HAWK missiles to Iran in November of '85?

21 A No.

22 Q Were you aware in or around the time of the
23 shipment that any HAWKS had actually gone forward?

24 A No.

25 Q And did you have any knowledge that there was

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1 a plan to replenish out of U.S. stocks the 120 HAWKS to
2 the Israelis?

3 A No.

4 Q And, finally, are you aware of any request
5 which came from the White House or the NSC in particular
6 to the Pentagon around the time of this memorandum or
7 shortly thereafter to begin replenishment operations for
8 the 120 HAWKS?

9 A No. I have learned in recent days, I think,
10 of some request concerning this. Mr. Gaffney I think was
11 testifying about it, although it wasn't clear to me that
12 that was identified for this purpose. But I was not
13 aware at that time or before this whole thing began to go
14 public that this shipment had occurred by the Israelis or
15 that we were a party to it or had any plans for
16 replenishing.

17 Q Okay. I think I understand your testimony.
18 In what the document says on its face there is no
19 indication from this particular exhibit that there had
20 been a request put forward to the Pentagon, although
21 Colonel North makes it clear from the context that that
22 would follow shortly after the missiles were released.

23 ~~Let~~ Let me offer as the next exhibit and give you
24 a chance to read a memorandum for the record that is done
25 by Mr. McMahon, the Deputy Director of the CIA, after a

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1 meeting on 4 October 85 among Director Casey, himself,
2 Secretary Weinberger, and you, sir. I'll give you a
3 chance to read that.

4 (The document referred to was
5 marked Taft Exhibit Number 4
6 for identification.)

7 (Pause.)

8 I simply ask you, Mr. Taft, if you recall at
9 the meeting with Director Casey and Mr. McMahon on 4
10 October 85 this issue coming up which is referenced here
11 regarding arms from Israel to Iran, and particularly that
12 Mr. Casey had read an article in a London newspaper that
13 the Israelis had just sold the Iranians \$800 million
14 worth of arms. Do you recall any discussion about that
15 issue?

16 A I don't recall it specifically, although it
17 certainly could have occurred.

18 Q Let me give you what will be Exhibit 5 and
19 give you a moment to read that, sir. This is an
20 additional PROF memo from Colonel North to Admiral
21 Poindexter on the 15th of January '86.

22 (The document referred to was
23 marked Taft Exhibit Number 5
24 for identification.)

25 If it will make it any clearer as you read,

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1 Copp is the code name for General Secord.

2 (Pause.)

3 A Do you know what PWR is?

4 Q I do not.

5 A Okay.

6 Q Mr. Secretary, first of all, assuming that
7 this PROF note from Colonel North to Admiral Poindexter
8 to be accurate -- and we have no way of knowing that --
9 it indicates that Director Casey views Secretary
10 Weinberger, in Colonel North's words, as a "roadblock",
11 and say that "we have now gone through three different
12 methodologies in an effort to satisfy Cap's concerns and
13 no matter what we do there is always a new objection."

14 Let me ask you first were you aware during
15 this time period and prior to the date of this note of
16 1/15/86 that there had been different methodologies
17 presented to Secretary Weinberger for transferring arms
18 to Iran in exchange for hostages or as a means of getting
19 our hostages back and that the Secretary had in essence
20 vetoed them? Does that in any way ring true?

21 A ^{what} You are saying -- it sounds true, but as to
22 whether I was aware of it on the 15th of January of 1986,
23 I couldn't say.

24 Q Do you recall there being discussions between
25 yourself and the Secretary or other individuals in which

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1 you participated where the Secretary would say, and here
2 is the latest proposal and I don't think it's any good
3 either and I'm going to tell them so or I have told them
4 so? Were there discrete discussions that would allow you
5 to form the judgment that the Secretary was objecting in
6 sequence to specific proposals that would be put forth by
7 the White House?

8 A I don't recall that specifically. I know that
9 the Secretary wanted to be sure that this was being done
10 in a proper way, if it was going to be done at all. He
11 wasn't in favor of its being done, but he was even less
12 in favor of its being done in an improper way.

13 Q I understand that. But you don't recall there
14 being specific discussions of this proposal and the
15 Secretary objected to it, and then the White House came
16 back with a second one?

17 A No, I don't. This one, two, three, I don't
18 remember that sequence, although, as I say, it could well
19 have happened.

20 Q Going to the next sentence beyond what I just
21 read, it states: "As far as Casey is concerned, our
22 earlier method of having Copp" -- and, as I said, that's
23 General Secord -- "deal directly with the DOD as a
24 purchasing agent was fine."

25 Were you ever made aware that there was a

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1 proposal or a methodology for these transfers that would
2 have General Secord be a purchasing agent and deal
3 directly with DOD in order to get TOW missiles or, for
4 that matter, HAWK missiles for shipment to Iran?

5 A No, I don't recall that.

6 Q Let me move forward to when we actually know
7 that a requirement came from the White House to the
8 Pentagon for the shipment of TOWs to Israel destined
9 ultimately for Iran. Were you aware at the time that
10 these transfers were to bypass the Army's [REDACTED]
11 [REDACTED] as the Army worked the requirement?

12 A Whenever I became aware of the transfer I was
13 also aware that it was not going to be treated [REDACTED]
14 [REDACTED]

15 MR. GARRETT: Excuse me. John, may we go off
16 the record?

17 (A discussion was held off the record.)

18 MR. SAXON: Back on the record.

19 BY MR. SAXON: (Resuming)

20 Q Mr. Secretary, let me rephrase the question in
21 a way which may be clearer and more accurate. When you
22 became aware that the requirement had been imposed on the
23 Pentagon by the White House to provide TOW missiles--and
24 this would be in January of '86 -- to the CIA with the
25 ultimate destination of Iran, did you know at the time

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1 that the Army's [REDACTED] was going to not be
2 utilized and in fact was to be bypassed?

3 A Yes, I was aware of that.

4 Q And was that a conscious decision that was
5 discussed or debated and decided upon, or was it just
6 assumed from the beginning, given the sensitive and
7 close-hold nature of these transfers, that the system
8 would not be used?

9 A Well, I believe it was a conscious decision
10 not to use any system that would involve more than the
11 minimum number of people. Whether somebody specifically
12 focused on that system, I don't know.

13 Q Do you know who made that conscious decision?
14 Was it made here at the Pentagon? Was it made at the
15 White House?

16 A I believe the White House/NSC and ourselves
17 here agreed that only the minimum number of people should
18 be aware of this program. I don't think that the White
19 House was specifically aware of our [REDACTED] or
20 not, but they certainly did not want and did not expect
21 as many people to be involved in this transaction or to
22 be familiar with this transaction as the [REDACTED]
23 [REDACTED] would necessarily have required.

24 Q When we interviewed you in April and were
25 discussing this topic you stated, if I understand and

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1 recall your statement accurately, that the rationale of
2 the [REDACTED] was designed to ensure that the
3 leadership of the Department knew that assistance was
4 being provided to the CIA, and in this case you stated
5 that the leadership did know that, for which reason it
6 was not necessary to go through the formal [REDACTED]
7 [REDACTED]

8 Does that sound accurate?

9 A Yes, that sounds right.

10 Q In addition, though, to the leadership being
11 aware that the transfers are taking place, part of the
12 rationale for the [REDACTED] as it's been
13 explained to me by people within the Army and here in the
14 Pentagon, is that there be a legal review at three
15 different levels [REDACTED]
16 [REDACTED] — three
17 different levels of legal review and also a readiness
18 review.

19 To your knowledge did either the legal review
20 or the readiness review take place?

21 A I'm not aware that they did.

22 Q As a matter of policy do you have an opinion
23 as to whether a legal review and/or readiness review
24 should have taken place with regard to these particular
25 transactions?

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1 A No. I don't believe there was a requirement
2 for a legal review, that having been assumed by the
3 Attorney General and the CIA. The requirements review, I
4 think we were aware, would have been a formality. We
5 have plenty of TOWs.

6 Q I want to get later to your involvement with
7 the HAWK repair part tasking, but while we are on the
8 issue of readiness let me go then from basic TOWs,
9 because it's my understanding we do have approximately
10 [REDACTED] basic TOWs in our inventory and everyone with
11 whom we've spoken has indicated that's not a problem in
12 terms of readiness, and go to the issue of the HAWK
13 repair parts.

14 The Department of Army IG indicated that for
15 the 234 line item repair parts that were requested by the
16 CIA for Iran, that when the time came for the Army to
17 make the decision to go forward and meet the requirement
18 or not that there were 46 parts which had what they
19 deemed a significant depletion factor in terms of
20 readiness, that for 15 of the parts there would be total
21 100 percent depletion of our inventories if we met the
22 requirement, for 11 of the parts it would be in excess of
23 50 percent depletion, and for 20 of the parts it would be
24 less than 50 percent but still what the Army classified
25 as significant depletion.

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1 A Excuse me. This is the IG did this review
2 subsequently?

3 Q That's correct, sir. The first question: was
4 any of that readiness data brought to your attention at
5 the time the Army was working the requirement?

6 A No.

7 Q Second, we have been told in sworn testimony
8 by those officers within the Army who were working the
9 requirement that they did make the decision that they
10 would not meet the requirement with regard to a small
11 number of these items for which the depletion would be
12 100 percent, and it was communicated to the Agency, and
13 the CIA overruled them and required that they provide the
14 parts.

15 Was that ever brought to your attention?

16 A I don't recall it, no.

17 Q With benefit of hindsight, looking at those
18 data and assuming that they are correct as the DA/IG
19 reported them, would you still maintain that there would
20 be no need for a readiness review as to either the TOW or
21 the HAWK repair part issue?

22 A Well, you can always have a readiness review,
23 and if you have one you will learn what the situation is.
24 That has to be then balanced against the benefits of
25 applying the weapons to the intended purpose. And the

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1 fact that, as you say, in hindsight there might be an
2 adverse impact on readiness is not at all conclusive.

3 The balance that one could have made against
4 that conclusion, if you had it, and the value of being
5 able to do that would have to be weighed against the
6 larger number of people who would be made aware of the
7 program in carrying that out.

8 Q To do the readiness review?

9 A Yes, and you have to make that judgment before
10 you do the readiness review. And I think in hindsight my
11 sense of it is that the need to keep the number of people
12 who were knowledgeable about the program and the
13 situation as small as possible makes the decision not to
14 do the requirement review a good one. You can't decide
15 whether to do a requirement review on the basis of the
16 outcome.

17 Q On a different issue in terms of readiness, if
18 I correctly understood Dr. Gaffney's public testimony on
19 Tuesday afternoon of this week, he indicated that in
20 November of 1985 General Powell asked him to take a look
21 at the possibility of the Pentagon providing 3,300 I-TOWs
22 to the Iranians. This was a follow-on to the 120 HAWKS.

23 The first question: Were you ever made aware
24 that the Department was looking at the issue of providing
25 3,300 I-TOWs to Iran?

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1 A I don't recall that, no.

2 Q Second, just from general knowledge today
3 would you have any idea whether there would be an adverse
4 readiness impact on the Army to provide 3,300 I-TOWs as
5 opposed to roughly 4,000 basic TOWs?

6 A I don't know.

7 Q In addition to discussing the readiness issue
8 with you in April we talked about this issue of the
9 Pentagon leadership at the top knowing about this, and
10 that being the rationale of the [REDACTED] and
11 therefore you didn't need to go through it. And in the
12 process I asked you if you would include in the
13 definition of those people in the leadership who needed
14 to know the Chairman of the Joint Chiefs, and you
15 indicated, if my notes are correct, that perhaps you had
16 a narrower view of the Department's leadership than I did
17 and that in your opinion perhaps Admiral Crowe did not
18 need to be made aware of the Iran arms initiative.

19 Would that still be your judgment, sir?

20 A Yes, I think so.

21 Q Admiral Crowe has provided the Committee sworn
22 testimony last week that when he found out about the Iran
23 arms initiative, which he found out about in late June or
24 early July of 1986 quite by accident, that he immediately
25 asked three questions that he thought should be examined,

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1 and he came to learn had not been examined.

2 The first was the full readiness impact on
3 Army stocks from both providing basic TOWs and HAWK
4 repair parts. The second was the strategic effect on the
5 Iran-Iraq war. And third was the effect on U.S.
6 security, given that it was not impossible we could find
7 ourselves in open hostilities with Iran and they would be
8 having additional copies of our inventory.

9 To your knowledge were any of those three
10 issues worked as the Pentagon met this requirement?

11 A You mean before Admiral Crowe asked those
12 questions?

13 Q Yes, sir.

14 A Well, certainly the general question of the
15 impact of these sales on our relationship with Iran was
16 considered.

17 Q But that was not one of the three questions he
18 raised. Not the general relationship with Iran. He
19 looked at more tactical considerations -- number one, the
20 impact on U.S. readiness in terms of drawing down our
21 stocks for basic TOWs and HAWK repair parts; second, the
22 strategic impact on the Iran-Iraq war.

23 A That's what I mean. I think it was
24 considered.

25 Q You think it was?

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1 A Yes, not by him but by others.

2 Q And who in the Department took a look at that
3 issue?

4 A I don't mean that it was staffed out. I mean
5 that it was considered by the people in connection with
6 the original decision, President's decision. It was part
7 of the Secretary's thinking and one of the reasons, in
8 fact, why he tended to oppose the initiative, was that he
9 thought it would have an adverse impact.

10 Q And to your knowledge, Mr. Secretary, were the
11 other two looked at?

12 A The first one, I think no.

13 Q That was readiness.

14 A Yes.

15 Q And the third was the effect on our security,
16 given that the Iranians, with whom we might find
17 ourselves in some form of hostilities, would have TOWs
18 and HAWK repair parts beyond what they already had.

19 A Yeah, I think that, it would be fair to say,
20 was considered, also not again staffed out with the
21 precision that one can do but as a general issue. I
22 think the feeling was that these shipments of the size
23 that were being contemplated would not cause a problem
24 for us.

25 Q When we met in April one of the things that we

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1 talked about as we discussed the Presidential Finding and
2 the Attorney General's opinion on which the Secretary
3 relied to have obviated the need, I guess, for any
4 further legal review, you pointed out that during the
5 period prior to your current position when you were
6 General Counsel of DOD you recall a similar issue, and if
7 my notes are correct you indicated that with a different
8 Attorney General, William French Smith, and with Stanley
9 Sporkin, the General Counsel for CIA, you reached a
10 different conclusion.

11 At the time you didn't recall the particulars
12 of that case. With the passage of time do you remember
13 anything more about what that case may have involved?

14 A No, I don't recall that.

15 Q I'm not sure that I know either.

16 A Maybe you could help me.

17 Q But with the benefit of some of the documents
18 which the Department has been kind enough to provide us
19 we may have the example, and I'd ask you to look at this,
20 which I will ask be marked as the next Taft Exhibit.

21 (The document referred to was
22 marked Taft Exhibit Number 6
23 for identification.)

24 (Pause.)

25 A Okay. I have read that memo. I guess here is

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1 the list.

2 Q I take it, Mr. Secretary, unlike some of our
3 exhibits you recall having seen this document?

4 A Yes, this document has been seen by me.

5 Q And the top item is a memorandum for the
6 Secretary of Defense dated September 2, 1983. I believe
7 that's from you, and is that your signature on page two?

8 A Yes, it is.

9 Q Having had a chance to read this, do you
10 recall anything about the circumstances giving rise to
11 this memorandum and this letter?

12 A Not a great deal, I'm afraid, just what it
13 says. I do recall Congressman Addabbo's being very
14 interested in this subject, but not in a friendly way.

15 Q For the record, the subject matter of your
16 memorandum says "CIA Request for DOD Support of Covert
17 Activities in Nicaragua". In the first paragraph, if I
18 can read it, it says: "Recently Judge Clark" -- and that
19 would be the National Security Adviser, Judge William
20 Clark, I assume -- "sent a memorandum to you asking that
21 the Department, in coordination with OMB and State,
22 ensure that sufficient resources are available to support
23 democratic resistance forces within Nicaragua.

24 Subsequently the CIA came in with a request to us for
25 [REDACTED] worth of equipment and services to be

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1 used in support of such forces." And then you say "see
2 attached illustrative list."

3 If you would look at page two, that first
4 paragraph at the top, you state: "An attempt to avoid
5 Congressional involvement in the transfer process could
6 jeopardize the entirety of the CIA legislative authority
7 to receive funds from other governmental agencies."
8 Continuing, it states: "Despite our desire to support
9 CIA initiatives within Central American we are
10 nonetheless constrained in the method of this support by
11 statutory restrictions."

12 I don't know, sir, if this is what you had in
13 mind, but it seems to us to clearly be an instance where
14 the Department, from the context of the exhibit, would
15 like to have been supportive in helping the CIA in the
16 efforts to help the Nicaraguan resistance forces, but for
17 some reason in your capacity as General Counsel looking
18 at the laws that were applicable you indicated that the
19 Department could not meet that request.

20 A Yeah. I don't think this was the issue that I
21 had in mind, though. I think the issue that we had later
22 -- that I had had earlier was the question of how the
23 Hughes-Ryan Act folds into the Arms Export Control Act.
24 That was the issue. That doesn't appear to be the issue
25 in this memo.

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1 Q Can you recall anything more specific about
2 the question of how the Hughes-Ryan Act and the Arms
3 Export Control Act overlapped and anything about the
4 facts of that?

5 A That is the question whether if you have a
6 covert activity that relieves you of the obligation under
7 the Arms Export Control Act to make the reports that are
8 prescribed in it, and that was the issue that I think we
9 were examining.

10 Q And to the best of your recollection how did
11 you resolve it?

12 A I think we resolved it that the transfer was
13 not made, but that may not have been because of the legal
14 position. It may have been for totally other reasons --
15 I mean that the thing went away or whatever, that it
16 wasn't necessary to do. But, as I recall, that was the
17 issue we took to the Attorney General, was whether the
18 Arms Export Control Act reporting requirements applied or
19 were vitiated by the Hughes-Ryan Act, where you could
20 make a covert Finding and then go totally covert and
21 never make a report about it.

22 Q All right. Mr. Secretary, I want to ask you
23 for your best legal opinion in that regard, recognizing
24 that you are not currently in the position of DOD General
25 Counsel but you are a lawyer and you have filled that

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1 position -- and if you wish to consult with your counsel,
2 that's fine. But to your best understanding can a
3 Presidential Finding in an intelligence activity override
4 the need for Congressional notification that might
5 otherwise exist in the Arms Export Control Act?

6 A What I'd like to do -- and I really shouldn't
7 give you an answer now on that, because I just don't have
8 the materials at hand, but what I would like to do would
9 be to see if I can find whatever work we did and if I
10 signed something back then which reached one conclusion
11 or another on it, and we'll certainly make it available
12 to you. That would be my best view at any particular
13 time, and I wouldn't have any reason now, because I'm
14 less familiar now than I would have been when I signed
15 such a document.

16 As I recall and another reason why I would be
17 reluctant to opine on it is certainly if we took it to
18 the Attorney General it's a relatively close question.

19 Q That would make sense.

20 Mr. Taft, when we talked with you in April you
21 indicated -- April of '87 -- you indicated that you
22 thought about in April of '86 you had had occasion to
23 talk to Admiral Poindexter, who at the time was the
24 National Security Adviser, and be shown a document in his
25 office that might have been the Presidential Finding

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1 pursuant to which these transfers went forward.

2 What do you recall about that meeting with
3 Admiral Poindexter and the circumstances and any
4 documents you may have reviewed?

5 A Well, what I recall is that I went into his
6 office and we started discussing the program to transfer
7 arms to Iran and he showed me a document which described
8 the reasons for the program and I read it. Our
9 discussion went on. And I told him that, of course, as he
10 knew, ^{the Secretary} who was out of the country at the time, was opposed
11 to the program, did not think that it was a good program,
12 a good idea, and that my further understanding was the
13 Secretary of State was of the same opinion.

14 And he said he knew that. And I guess we were
15 aware that the President had decided to go forward with
16 it.

17 Q Do you recall when that would have been?

18 A That would have been sometime in the first two
19 weeks of April, I think. It might have been the last
20 part of March, but it was before April -- certainly
21 before April 14, which is a date I remember.

22 Q And to the best of your recollection did you
23 see the Finding?

24 A I saw a document and it may well have been the
25 Finding. I'm not positive that it was the Finding.

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1 Q And why, sir, does April 14 stand out in your
2 mind?

3 A Because we had the raid on Tripoli on that day
4 and this was before that, because the Secretary was out
5 of town before that and back by then.

6 Q Do you recall there coming a time in the fall
7 when you had a discussion with Secretary Weinberger and
8 perhaps General Powell in which the Secretary was
9 attempting to fix in his mind when he first knew of a
10 Finding or saw a Finding, et cetera, and you volunteered
11 that you had seen some document that may have been the
12 Finding in Admiral Poindexter's office in April? Does
13 that in any way ring a bell?

14 A Do I recall --

15 Q Having a discussion in the fall of '86?

16 A I think I may have certainly done that and
17 told him that I may have seen the Finding, yes.

18 Q Do you recall anything about that meeting or
19 those conversations?

20 A Now this would be a meeting I had just with
21 the Secretary alone on this subject?

22 Q I believe it would have been a meeting with
23 General Powell and the Secretary or Mr. Armitage and the
24 Secretary.

25 A I can't recall it specifically, but we had

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1 quite a few meetings at which this subject was discussed.

2 Q In fact, it was Mr. Armitage. General Powell
3 would have been in Germany at the time.

4 A Yeah, he would not have been there. That's
5 right. Perhaps Admiral Jones was there.

6 Q If you would walk us through quickly what
7 happened with the HAWK repair part tasking which you
8 passed on to the Army. How did you come to know about
9 it? Who notified you and asked you?

10 A This is the April tasking?

11 Q Yes, sir.

12 A I would have gotten that from Admiral
13 Poindexter. What I did was I was not specifically aware
14 of what the items were other than that they were related
15 to HAWK missiles, that they were spare parts, but there
16 would be a long, detailed description of them, and what I
17 did was, as Admiral Poindexter directed or requested,
18 whatever, was to advise General Wickham that we would be
19 getting a tasking from the CIA that would specify certain
20 HAWK items, HAWK-related items, and that we were to
21 fulfill it and that we were to be paid for it by the
22 Agency.

23 Q Did Admiral Poindexter come to you because the
24 Secretary was not in town or out of the country, or was
25 there some other reason?

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1 A I believe that was the reason. He knew that I
2 was familiar with the program already, so it wouldn't
3 expand the number of people involved. Also, Mr. Armitage
4 was out of the country, too, and Admiral Jones. So the
5 whole team -- I was the only person in OSD. Maybe Noel
6 Koch was here, but, in any case, he went to me.

7 MR. SABA: Why wouldn't the tasking come from
8 the Agency?

9 THE WITNESS: Why wouldn't the tasking come
10 from the Agency?

11 MR. SABA: The Agency had provided a tasking
12 in January of '86 that had come through, and that was
13 unusual, but given the circumstances at the time --

14 THE WITNESS: You mean the tasking to me come
15 from the Agency?

16 MR. SABA: My question is why do you think the
17 tasking ~~did~~ go from the Agency straight to General
18 Wickham? Why is the routing Admiral Poindexter to you?
19 Normal CIA taskings are Agency to the Army or through the
20 JCS. The Army had already done one tasking under this
21 program for TOWs. Wickham and General Thurman both knew
22 about the program. So did General Russo. So they had
23 contact points in the Agency that were familiar with it.

24 My question is it always seemed strange to me
25 that the tasking on this radar parts would come from

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1 Admiral Poindexter at NSC to you.

2 THE WITNESS: I guess the person to ask is
3 Admiral Poindexter as to why he did it this way.

4 MR. SABA: When you received it, it didn't
5 seem unusual to you?

6 THE WITNESS: No, it didn't in that this was a
7 program that the NSC was the one who was familiar with it
8 and it was also a program as to which our lack of
9 enthusiasm was well known, and I think they wanted to
10 perhaps, you know, be sure that we knew that this was
11 still part of the President's desires and the NSC is much
12 more able to demonstrate that to us than the CIA.

13 BY MR. SAXON: (Resuming)

14 Q Did Admiral Poindexter indicate --

15 A I think they also wanted us to be aware of it.

16 Q Did he indicate that this was a follow-on to
17 the TOWs, part of the same package, the same series of
18 transactions?

19 A I think we understood that, yes. Whether he
20 stated it so specifically or not, it was clear that this
21 was a second transaction in pursuit of the same program
22 and under the same authority.

23 Q Did you convey that to General Wickham or did
24 he have the same implicit understanding about the
25 requirement?

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1 A I don't recall exactly what I conveyed to
2 General Wickham about the authority, nor am I sure what
3 he knew about the previous shipment because when I asked
4 General Powell how he had handled the first shipment he
5 told me that he had handled it through Max, through Max
6 Thurman, and I was not aware whether Max Thurman had told
7 General Wickham or not about it. But because General
8 Wickham was -- I believe Colin handled it through Max
9 Thurman because General Wickham was out of town.

10 Q That's correct.

11 A But General Wickham being in town, I felt I
12 could handle it through him.

13 MR. SABA: Is it possible that Admiral
14 Poindexter called you so that you would initiate the
15 action and thereby, by having the tasking assume that [REDACTED]
16 [REDACTED] would again be passed as it was
17 passed in the January transaction?

18 THE WITNESS: It's possible, but I doubt that,
19 because I said earlier I don't think that the NSC people
20 were aware of the existence of the [REDACTED] in
21 the first place. They may have been, but I don't know
22 that they were.

23 MR. SABA: To go back and look at that, when
24 we discussed that a little earlier I think you said that
25 one reason the system was bypassed was to keep it a very

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1 close hold matter, that there was a conscious decision to
2 bypass the [REDACTED] in January in order to keep
3 the matter a very close hold one.

4 THE WITNESS: Well, a conscious decision to
5 bypass any system that would result in broad knowledge of
6 the subject and the [REDACTED] is such a system,
7 yes.

8 MR. SABA: I do want to stay with this a bit.
9 If it was a conscious decision to bypass the system, by
10 whom was that decision made?

11 THE WITNESS: Where I'm having a little
12 difficulty following you is the conscious decision was to
13 conduct this operation in a way in which the smallest
14 number of people would be aware of it. You characterize
15 that as a conscious decision to bypass systems A through
16 G. That is not the way the conscience was making the
17 decision.

18 The conscience was saying I want to limit the
19 number of people who know about this. Now it may be
20 there are eight different systems out there that were
21 bypassed as a result, but to suggest that we considered
22 each one of them and decided to bypass each one of them
23 is not the way the decision was consciously made.

24 MR. SABA: All right. In any event, who made
25 that decision?

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1 THE WITNESS: That was implicit in the nature
2 of the activity and the Secretary and General Powell in
3 doing the first transaction had established that pattern.

4 BY MR. SAXON: (Resuming)

5 Q Mr. Secretary, the thing we're having
6 difficulty understanding -- and maybe you can help us
7 understand it -- we have been told that the [REDACTED]
8 [REDACTED] is not only that system that was designed to
9 handle sensitive transfers to the CIA but that it was to
10 be the exclusive means for handling sensitive transfers
11 of defense articles from DOD to the CIA.

12 We have been told that it has expedited
13 procedures written into that governing set of procedures
14 and regulations so it can be done very quickly. We are
15 told that it has been used for some very sensitive
16 transfers [REDACTED]
17 [REDACTED] things that are
18 otherwise not the sort of thing you want lots of people
19 to know about.

20 And yet for some reason the system was not
21 utilized in this case, and given the history of its
22 creation, particularly the [REDACTED]
23 [REDACTED] within the Army, in September of 1984 because
24 of ISA problems and YELLOW FRUIT and other things,
25 everybody is very sensitive to that and the system was

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1 tightened up and this is the way we are going to go.

2 A Yeah.

3 Q And we didn't go that way.

4 A Right.

5 Q And, as everybody has told us, this is the
6 only instance that they can think of -- the two instances
7 of HAWK repair parts and TOWs -- in which we have not
8 used that system.

9 A Right. I think the fact of the matter is that
10 that system means that more people know about the program
11 than in fact knew about it under the approach that we
12 adopted, and while nowadays a great many people know
13 about it, I think that probably between January of '86
14 and October of '86 many fewer people knew about this
15 activity than would know about any activity, however
16 sensitive, but any activity that goes through the [REDACTED]

17 [REDACTED] Many fewer people knew about it, in fact,
18 and that was our intention and that was the reason.

19 MR. SABA: I just do want to be very specific
20 on this because it's not altogether clear. I'm trying to
21 decide or trying to understand whose decision it was to
22 be that close hold. We have a Finding.

23 THE WITNESS: The NSC was very adamant that
24 this be extremely closely held, but it was a view that we
25 shared.

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1 MR. SABA: I'm sorry again, but when you say
2 "we" --

3 THE WITNESS: I'm talking about the three,
4 four people in OSD who were familiar -- the Secretary,
5 General Powell and myself, Mr. Armitage.

6 MR. SABA: So the decision to keep it close^{ly}
7 held both in January and repeating again in the case of
8 the HAWK repair parts, was a decision which I take it
9 yourself and the Secretary consciously made.

10 THE WITNESS: To keep it to a very small, the
11 smallest possible number of people. That's right.

12 MR. SABA: And therefore I take it in the case
13 of the January TOW transfer there was an order given to
14 General Powell to tell General Thurman in the absence of
15 General Wickham to meet the requirement?

16 THE WITNESS: An order? Well, I guess there
17 was. You can ask him. But whether it came from the
18 Secretary or came from the NSC, I don't know. But he
19 certainly received some instruction.

20 MR. SABA: He did, but in this entire exercise
21 that we're doing it's important ~~for us~~ to understand, and
22 I think the public is trying very hard to understand,
23 whether a Colonel or whether an Admiral on the staff of
24 what is an organization which is merely a staffing
25 exercise, the NSC, can tell people, and people who

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1 outrank them in agencies, whether it be CIA or DOD, to do
2 things.

3 So it is important for us to understand who
4 told who to do what. If Colonel North can call a three-
5 star general and say get me TOWs, people in Congress want
6 to understand how that happens, and similarly the
7 authority line by which Vice Admiral Poindexter, in his
8 capacity as head of the NSC -- I presume not in his
9 capacity as Admiral -- can call Colin Powell, who is the
10 special assistant to the Secretary, and say transfer TOWs
11 to the CIA and don't do it the way we have always done
12 it.

13 And I don't find paper on that, so I'm trying
14 to understand who made those decisions and what the
15 routing was.

16 THE WITNESS: I guess I'm not the person to
17 say how the instruction came to General Powell. I don't
18 know whether it was from Admiral Poindexter or Mr.
19 Fortier or whoever.

20 MR. SABA: But in the case of the HAWKs, it
21 came to you.

22 THE WITNESS: But I can help you on how this
23 kind of thing, this phenomenon, would occur. And I think
24 you see an example of it when you see General Powell, for
25 example, go to General Thurman, who is a four-star

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1 general, General Powell then only being a two-star
2 general, and he didn't have the slightest trouble
3 persuading General Thurman to do what he asked him.

4 And the reason is that General Thurman knew
5 that when General Powell asks him to do something it's
6 because the Secretary of Defense wants it done. That's
7 not accurate here, not fully accurate, but he in the
8 formal sense wanted this done. In the informal sense he
9 didn't want it done, but that's an aside.

10 And they have confidence in the authority of
11 these people who work for people who are superior to them
12 but who themselves are not, that they are reflecting the
13 desires of that superior authority. When the Secretary,
14 for instance, or I get a request from Admiral Poindexter,
15 we might, if, for instance, it had been a request to make
16 this transfer in September of 1985, the Secretary would
17 not have told General Powell to tell General Thurman to
18 do it.

19 He would have said, hey, wait a minute. What
20 does the President think of this.

21 BY MR. SAXON: (Resuming)

22 Q That distinction being because at the time --

23 A Because at the time, as far as he was aware,
24 the President hadn't decided he wanted to do this and he
25 opposed it himself.

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1 MR. GARRETT: In September of '85.

2 THE WITNESS: Of '85, and the Secretary
3 opposed it and wouldn't do that kind of a thing that he
4 was strongly opposed to without hearing it from the
5 President. But by January, once he knows that the
6 President has decided that he is definitely going to do
7 this and he has had his day in court and he's aware that
8 this is indeed the President's program, then, when
9 Admiral Poindexter calls up and says you remember that
10 the President decided yesterday that we were going to do
11 this and here are the details, we do it.

12 MR. SABA: So then was the conscious decision
13 to keep it ^uvery close hold, the President's decision?

14 THE WITNESS: I don't think the President
15 would have disagreed with that policy for the Department
16 as a whole, but I'm not sure that he focused on it
17 particularly. He would have agreed with it.

18 MR. SABA: Wouldn't that have been the chain
19 of command, then, by which Colin Powell and later
20 yourself would have taken the tasking from Admiral
21 Poindexter?

22 THE WITNESS: I guess I don't know whether the
23 NSC directed us specifically to limit the number of
24 people who were aware of this to the absolute minimum or
25 whether we simply understood that that was the right way

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1 to go about this and ourselves told them that that was
2 what we were doing.

3 It is clear to me and it was clear to them
4 that we were keeping the number of people in the
5 Department familiar with this program very small, and
6 they were pleased with that. That was the way they liked
7 it, and that was the way we liked it. I hope I'm being
8 helpful.

9 BY MR. SAXON: (Resuming)

10 Q Just for the record, so you'll understand
11 where our questions are coming from, we're not looking
12 for some one person to hang for having made the decision
13 to bypass the [REDACTED] What we're trying to
14 find out --

15 A We all bypassed it.

16 Q -- is given that there is this system, that
17 there is an office that exists within the Army to
18 administer it and that everybody more or less understands
19 it's the exclusive system to follow, it wasn't used and
20 we're simply trying to figure out the point at which that
21 decision originates so we can put the story together.

22 MR. SABA: And it's even harder to understand
23 that in the context of a Secretary of Defense, who is
24 fundamentally, at least on a personal level, opposed to
25 the activity and makes, through General Powell, at least,

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1 and yourself continued insistence that in every other
2 respect the regulations and procedures be followed.

3 We have an insistence on using the Economy Act
4 and getting a full price, which means there is a lot of
5 people who are generating the activity on the price. So
6 in many ways we have an insistence on maintaining the
7 procedures that normally attach to a transfer from DOD to
8 CIA, yet the tasking in each case initially comes from or
9 out of the NSC and it is just trying to understand that
10 process is what I am getting at rather than trying to
11 look to one person.

12 THE WITNESS: The main point that was in mind,
13 and I don't think while the Secretary might have
14 disagreed with the program he was not going to undermine
15 it once the President had agreed with it. A critical
16 element in its being a success, if it was going to be
17 ever, was that it be kept secret, and a way to do that,
18 generally understood, is to minimize the number of people
19 familiar with it.

20 And I guess, you know, the result actually is
21 fairly good. The [REDACTED] you've mentioned
22 several classified programs that have run through the
23 [REDACTED] with which everyone in the country is
24 familiar. This one we managed to keep quiet. I mean,
25 just because we were opposed, the Secretary was opposed

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1 to the program and recommended against it and all of the
2 points that you make about his being sure that it was
3 done right and according to the regulations and not
4 improperly are consistent, it seems to me, with the
5 approach that says we are going to make sure that it
6 doesn't get ruined either by being improperly done or by
7 being disclosed.

8 This was the effort.

9 MR. SABA: So there was every attempt made to
10 avoid any possibility for leaks?

11 THE WITNESS: That's right. That's
12 essentially what this was about. This program -- I
13 cannot recall more than one or two programs that have as
14 few people in this department aware of them and in fact
15 that would justify that type of approach more than this.
16 I mean this program, the disclosure of it or the rumoring
17 about it, would be terminal, as in fact it was.

18 BY MR. SAXON: (Resuming)

19 Q In the interest of time let me move quickly on
20 to some other subjects. I do want to ask one final
21 question about the Iran portion of these matters. In
22 your opinion, if the United States had provided HAWK
23 missiles to Israel which they had in their stocks in
24 November of '85 and Israel had wanted to transfer those
25 to Iran, would that have been legal for them to do and,

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1 if so, what kinds of clearance or approval would have
2 been necessary on the part of the United States
3 Government?

4 A Well, my understanding is that any weapons
5 that we have -- and HAWKs would be in this category --
6 that the United States would have exported to Israel and
7 that it has, that if they are transferred to a third
8 country -- and not just Iran but any third country --
9 that we must be notified of that and approve it.

10 Q Do we have to approve in advance of the
11 transfer?

12 A I believe so, yes. I believe so.

13 Q And do you know whether the contract or the
14 letter of offer and acceptance under which the recipient
15 country would receive the defense articles, are they
16 bound by that contract to get that prior approval in
17 writing? Do you know whether that's the case?

18 A I don't know. Basically you are going into
19 the Arms Export Control Act is where you are.

20 Q Let me shift to a totally different subject
21 and ask that this next item be marked as a deposition
22 exhibit and give you a chance to read it.

23 (The document referred to was
24 marked ~~as~~ Exhibit Number 7
25 for identification.)

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1 (Pause.)

2 Mr. Secretary, this exhibit is a memorandum
3 for the record dated 15 March 1985 prepared by Mr.
4 McMahon, Deputy Director of the CIA, and it follows a
5 meeting that he has had with you and Secretary Weinberger
6 of that same day. At the close of his MFR he states:
7 "In closing, the Secretary stated that he had heard that
8 [REDACTED] had earmarked \$25
9 million for the contras in \$5 million increments."

10 While I understand you have probably had many
11 meetings with Mr. McMahon and I won't ask you to recall
12 that particular meeting, do you recall any discussion in
13 that time period in which Secretary Weinberger would have
14 made known to Mr. McMahon that he had learned that the
15 [REDACTED] giving \$25 million to the contras?

16 A No. I don't recall this discussion
17 specifically at all.

18 Q Do you recall knowing that the [REDACTED]
19 going to give \$25 million to the contras?

20 A No. I mean, I have heard recently, but you
21 mean back when other people didn't know?

22 Q In 1985, when other people didn't know.

23 A No. I don't have any specific recollection of
24 it. There were certainly people who were supporting the
25 contras, and one could imagine, perhaps, who they were,

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1 sometimes correctly, sometimes incorrectly. But we never
2 had any firm knowledge that this was being done.

3 Q In March of '85 am I correct in saying that
4 was a period when the Boland Amendment, Boland II, from
5 the fall of '84 had cut off all U.S. Government funding
6 of the contras; is that correct?

7 A I don't recall, but it could well have been.

8 Q I believe the record would show that that is
9 correct, and \$25 million is a sizeable amount of money to
10 provide as an infusion to the contras even in \$5 million
11 increments. It seems that that is the kind of thing that
12 would stand out if you learned it. And, likewise, to an
13 impartial observer two years after the fact it seems hard
14 to imagine why Mr. McMahon would have reduced something
15 like that to writing, if that hadn't been discussed.

16 A I agree with that.

17 Q So if I understand your testimony you have no
18 recollection that that was discussed and you have no
19 recollection that you ever knew in that time period or
20 any time prior to these matters becoming public that
21 [REDACTED] giving \$25 million to the contras; is that
22 what you are saying?

23 A The question of definite knowledge that this
24 was being done, and I guess this does not itself suggest
25 that we were sure about this. As it is presented it

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1 looks more like the Secretary was reporting a rumor.
2 And, as I say, there were rumors. I don't know whether
3 this is even true. But the figure seems a little
4 different, in fact, from other figures that I have heard
5 recently.

6 But there certainly was speculation as to what
7 the support for the contras -- where it was coming from.
8 A lot of it was from private sources here. I can recall
9 at the time speculation about [REDACTED]
10 I don't recall hearing anything about Brunei until
11 subsequently.

12 Q So your testimony is --

13 A I have no reason to think that John was not
14 writing down what he heard here, but I just don't recall
15 it, that's all.

16 Q You don't recall that discussion or you don't
17 recall the knowledge?

18 A I don't recall the discussion, and I don't
19 recall any certain knowledge, which as I say right here
20 it doesn't appear that this is a certain knowledge
21 either.

22 Q Did the Secretary ever discuss with you that
23 he had heard that, whether it's in the rumor category or
24 in some confirmed category? Did he ever tell you that he
25 learned or heard that [REDACTED]

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1 to provide \$25 million for the contras?

2 A Well, I was at this breakfast and he's
3 recorded here as having said it, so I suppose I heard it
4 if he said it. But in any definite sense, no. And, as I
5 say, I don't recall this.

6 Q You don't recall that the Secretary would have
7 told you that apart from any meeting with Mr. McMahon?

8 A No. No.

9 Q Let me go to another matter and ask that this
10 be marked as the next exhibit.

11 (The document referred to was
12 marked Taft Exhibit Number 8
13 for identification.)

14 (Pause.)

15 A Okay.

16 Q [REDACTED] Secretary, this is a memorandum from
17 Colonel North to Admiral Poindexter dated January 15,
18 1986, and it discusses an upcoming meeting that Admiral
19 Poindexter is to have with General Galvin, the SOUTHCOM
20 commander, and it talks about the situation regarding the
21 contras and a number of things in general.

22 But in particular if you look at the final
23 paragraph Colonel North is saying to Admiral Poindexter:
24 "Finally, General Galvin has asked that you agree to
25 periodic meetings with you to discuss sensitive issues.

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1 You should be aware that General Galvin is cognizant of
2 the activities under way in [REDACTED] Costa Rica [REDACTED]
3 [REDACTED] in support of the DRF. General
4 Galvin is enthusiastic about both endeavors."

5 Now in sworn testimony to the Committees
6 General Galvin has indicated that this is essentially
7 correct in that he did have knowledge of the private
8 supply operations to aid the contras, in Costa Rica the
9 private air strip that had been constructed, we have also
10 been told in separate sworn testimony, [REDACTED]
11 [REDACTED]
12 [REDACTED]

13 My question to you is whether the SOUTHCOM
14 commander or anyone else ever made you aware of these
15 activities.

16 A Of his activities?

17 Q Of the private supply operations that were
18 going on in which American citizens were involved, and we
19 now know General Secord and that network were involved in
20 air drops of lethal equipment to the contras during the
21 period in which all U.S. Government funds were cut off by
22 the Boland Amendment, particularly to the two locations
23 of a private air strip in Costa Rica [REDACTED]
24 [REDACTED]

25 The first question is, General Galvin --

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1 A General Galvin. I don't recall his ever
2 having made me aware of these things.

3 Q Did anyone else prior to these matters all
4 becoming public?

5 A There were reports, intelligence reports, that
6 indicated that private people were certainly supporting
7 the contras and that the contras were fighting. From
8 time to time we'd get an intelligence bulletin and
9 whatnot, and then there was that fellow from the Army

10 [REDACTED] in Alabama --

11 Q Tom Roney?

12 A Yeah, who was picked up. I forget what
13 happened to him exactly.

14 Q As a former member of the Army Reserve in
15 Alabama, for the record it should be uttered that was the
16 Alabama National Guard.

17 (Laughter.)

18 A Excuse me. But he had been involved in
19 supporting them, and that came out and we got questions
20 about it, and it developed from that that there were
21 private citizens working with the contras in support of
22 them.

23 But the specific air fields that were used, I
24 was, I don't believe, ever aware of [REDACTED] the
25 one in Costa Rica. I don't think I ever had any

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1 knowledge of those.

2 Q Were you ever made aware that there were any
3 U.S. military personnel facilitating those private
4 citizen efforts to which you just made reference?

5 A No.

6 Q Let me offer the next exhibit and give you a
7 moment to look at that.

8 (The document referred to was
9 marked Taft Exhibit Number 9
10 for identification.)

11 (Pause.)

12 A What's PRAL?

13 Q I couldn't give you a precise answer, but it's
14 one particular group of forces in the military.

15 A In the Salvadoran military?

16 Q Yes, I believe that's correct.

17 A Who is this from?

18 MR. GARRETT: SOUTHCOM to [REDACTED]
19 [REDACTED]

20 THE WITNESS: It's to General Gorman.

21 BY MR. SAXON: (Resuming)

22 Q There are a couple of different items. One is
23 from Gorman and one is to Gorman.

24 A I see. The thing I'm reading second is not
25 what was attached to the thing that came first?

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1 Q That's correct, sir.

2 A I see. All right. So I haven't got that
3 attachment. Whatever he was attaching, I don't have it.
4 Okay, this is just another memo.

5 (Pause.)

6 Do we know from whom this one is?

7 Q Which one are you looking at?

8 A The second one.

9 Q This is from Ambassador Pickering.

10 A This may have been the thing that was attached
11 to the front one?

12 Q No, sir.

13 (Pause.)

14 A Okay. I have read these.

15 Q Felix Rodriguez, who is the subject of these
16 three pieces of correspondence, has provided sworn and,
17 for that matter, public testimony to the Committees that
18 his purpose in going to El Salvador was to assist the
19 Nicaraguan resistance forces, and what you are looking at
20 are three items of communication which are in
21 chronological sequence, and one of the attachments is not
22 there, and that's what I think maybe threw you off.

23 But the first one, on the letterhead of the
24 U.S. Mil Group in El Salvador and signed by Colonel Jim
25 Steele, and in fact in his sworn deposition he confirms

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1 that this is his signature and that is a document from
2 him, is to Ambassador Pickering, and says: "For your
3 guidance, attached is a draft back channel to General
4 Gorman on our no-pay mercenary." And it says above the
5 subject is Felix Rodriguez. And Colonel Steele has
6 confirmed that that is what this is with regard to, and
7 that Mr. Rodriguez, who was working for no pay, was
8 referred to as the no-pay mercenary.

9 The next item of cable traffic, dated 14
10 February 85, is from General Gorman, then the SOUTHCOM
11 commander, to Ambassador Pickering in El Salvador and
12 Colonel Steele as the Mil Group commander, and in line
13 one he says: "I have just met here with Felix
14 Rodriguez." He goes on to say, in numbered paragraph
15 two, "Rodriguez' primary commitment to the region is [REDACTED]
16 [REDACTED] he wants to assist the FDN. I told him
17 that the FDN deserved his priority."

18 General Gorman says, in item four, "My
19 judgment is that his advice will reinforce ours and that
20 we should put no obstacles in his way to consulting with
21 Blandon or Bustillo unless and until we get
22 counterindications. I recommend that Jim Steele meet
23 with him." And then finally he says: "Assuming your
24 approval I will sent Rodriguez to [REDACTED] tomorrow, 15
25 February, on one of my C-12s."

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1 And the final item that you are looking at is
2 a back channel message from Ambassador Pickering to
3 General Gorman, and he says in it, "I had a valuable
4 meeting with Felix Rodriguez February 15." So in essence
5 what has just been referenced by General Gorman in the
6 previous cable took place. He goes on to discuss the
7 tactical assistance that Rodriguez will provide and then,
8 in numbered paragraph three at the bottom, he says:
9 "Rodriguez will return in three to four weeks to work
10 with Bustillo, FAS and Steele. Steele will monitor
11 closely."

12 My questions are to ask you, number one, if
13 General Gorman in any way, as SOUTHCOM commander, ever
14 communicated to the Pentagon, to your knowledge these
15 matters that are referenced in these communications.

16 A Not to me. I wouldn't be able to say as to
17 whether he communicated them to others.

18 Q To your knowledge, if the representations here
19 are correct, was he acting with the blessing of or at the
20 instruction of the Pentagon?

21 A I'm not aware.

22 Q Did anyone else ever make you aware of the
23 activities of Mr. Rodriguez and the fact that he might
24 have received some U.S. military assistance in going
25 about those activities to assist the FDN? Particularly

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1 he has testified that this is with regard to the private
2 supply operations, the air drops of lethal equipment to
3 the southern front which went through [REDACTED]

4 A No. I was not aware of that. I didn't check
5 on his testimony the other day. This is not that,
6 though, is it? I mean this is El Salvador. These are
7 things he's doing in El Salvador.

8 Q That's correct.

9 A I mean, I don't even see what you are saying.
10 I don't even see it here in the documents you are showing
11 me.

12 Q That's correct. He has testified to that
13 publicly in the first phase of the hearings.

14 A That?

15 Q That his purpose in going to El Salvador was
16 to assist the FDN, particularly to assist the private
17 supply operation operating [REDACTED] to get lethal
18 equipment to the southern front, and that that was his
19 purpose in being sent there.

20 A Who was sending him there?

21 Q He went with the knowledge of and blessing of
22 Colonel North and --

23 A This was his purpose, but it wasn't
24 necessarily -- I don't know. Was it General Gorman's
25 purpose? Is that what he said?

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1 Q Yes, sir. I think the exhibit in that regard
2 speaks for itself.

3 A That's what I'm getting confused about.

4 Q The cable from General Gorman of 14 February
5 85 to Ambassador Pickering said "Rodriguez' primary
6 commitment to the region is [REDACTED] he wants
7 to assist the FDN. I told him that the FDN deserved his
8 priority."

9 A Right.

10 Q And the Ambassador Pickering the next day says
11 that Colonel Steele will monitor closely.

12 A Yeah. But what he's saying, if I read it
13 right, what he's saying is, Gorman is saying where you
14 just read in paragraph two, his primary commitment is
15 there, and he says that he agrees that that deserves your
16 primary commitment.

17 But then he goes on about whatever Pickering
18 is doing, the people in El Salvador, which is not that.
19 The bulk of this memo -- and I just read it once; I may
20 be reading it too quickly -- it seemed to me that what
21 Gorman is saying here is he said he was mainly interested
22 in FDN, and I said they are great folks and that's fine
23 for you, but that I went on and I also told him about
24 your work, and then the rest of the memo appears to be
25 about that, and that he's coming on --

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1 and all these people in El Salvador, and that he's
2 sending him up to talk to him about that.

3 And the memo from Pickering then goes back and
4 says he did come up here. And it appears from this that
5 all of these points that he is discussing are all El
6 Salvador type points. So it doesn't appear from this --
7 maybe he did; maybe he testified to the contrary or in
8 addition, but it appears from this that what's his name,
9 Rodriguez, was taking a detour from his primary interest
10 and Gorman was sending him up to El Salvador to discuss
11 that.

12 And from this memo, he did discuss it.

13 Q I guess the question, Mr. Secretary, is to ask
14 whether you were ever made aware by either civilian or
15 military personnel of the Department of Defense that Mr.
16 Rodriguez was providing assistance to the private supply
17 operation for the contras in the southern front, whether
18 prior to any of these matters becoming public you were
19 aware of that.

20 A No, I was not aware of it, nor am I aware of
21 that from this, nor does this say anything about that.

22 Q I'm telling you what he testified to publicly
23 as to what his purposes were.

24 A No, I'd never heard of Mr. Rodriguez until the
25 other day.

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1 MR. SAXON: Off the record a second.
 2 (A discussion was held off the record.)
 3 (A brief recess was taken.)

4 BY MR. SAXON: (Resuming)

5 Q Let me ask that this be marked as the next
 6 exhibit.

7 (The document referred to was
 8 marked Taft Exhibit Number 10
 9 for identification.)

10 A This is from?

11 Q This is from [REDACTED]

12 A [REDACTED]

13 Q [REDACTED] I'm sorry,
 14 yes, to the [REDACTED]

15 A Okay.

16 (Pause.)

17 Date?

18 Q It's April of '86, the third of April.

19 A All right. I've read it. I'm not sure I
 20 understand it.

21 Q All right. Mr. Secretary, I'm not going to
 22 inquire into the matters in paragraph two and paragraph
 23 three. We think we understand what went on there with
 24 regard to Colonel Conner and the fact that Colonel Clark
 25 became his replacement. We think we know the reasons why

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1 and there's no great mystery there.

2 I want you to look, though, at the first
3 paragraph, in which [REDACTED] is saying that the SOUTHCOM
4 commander, General Galvin, at this time wanted to have a
5 military team on the ground ready to be involved in
6 aiding the democratic resistance. Now there's no
7 suggestion in here that this was during a period when
8 that would have been illegal.

9 A There's no suggestion in this memo or no
10 suggestion by you?

11 Q Either. There's no suggestion that we're
12 talking about a period where such assistance would have
13 been prohibited. But we'd like to know, though, from the
14 standpoint of the Pentagon and its top leadership, was
15 military involvement in the follow-on, once U.S.
16 Government funds could be used again to aid the contras,
17 what were the discussions had at the Department in terms
18 of whether that was wise, who made the decision that it
19 would be the CIA that would take that lead, and that the
20 military support would be minimal, et cetera.

21 How did all that play out -- the tension
22 between military versus CIA, control or leadership or
23 management of that process that's reflected in [REDACTED]
24 cable?

25 MR. GARRETT: You're asking him to speak,

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1 John, of course, from his own knowledge.

2 MR. SAXON: Sure.

3 THE WITNESS: My impression was that there
4 wasn't an issue as to the primacy of the Agency in this
5 area when it became legal for them to be engaged in it,
6 that this was ~~there~~ ^{then} an activity that they were the right
7 people to carry out. Now there was a time -- and I
8 forget exactly when it was -- that the State Department
9 had the lead responsibility by statute, I think, for the
10 humanitarian assistance program or something, but after
11 that it came to be possible ~~for~~ the Agency to be
12 involved, I think.

13 And at that point they were the people with
14 the primary responsibility. There was concern here in
15 the policy office -- I know Fred ~~IML~~ had it -- and in
16 the military, JCS, and presumably they were getting that
17 from SOUTHCOM.

18 BY MR. SAXON: (Resuming)

19 Q I should say that General ~~Galvin~~, who we have
20 also deposed, confirms all of this. He says that he very
21 forcefully made the recommendation to the JCS that there
22 be a military role, and the reason that he cited was he
23 didn't think that the CIA was equipped and trained to
24 carry out that role. You're talking about tactical
25 military types of things.

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1 A Yes. That became more of a concern as more
2 money became available and the operations larger in scale
3 and more contras existing and being trained in tactics,
4 et cetera. And on a number of occasions we were urged,
5 the Secretary and I, to make very strong representations
6 to the CIA that we wanted a larger role for ourselves and
7 that we didn't have a lot of confidence or whatever.

8 Speaking for myself, I was not too -- I did
9 not make those representations too strongly. I felt that
10 it was important to retain the Agency in the first place
11 and to support them, and that our people should figure
12 out how best to do that without our making a lot of
13 squawking about it.

14 Q When we met with you in April we asked you
15 about --

16 A You know, they had a lot of reasons which
17 maybe they are right and I'm wrong, but I have looked at
18 some other Agency operations and I didn't see that they
19 were that incompetent.

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22 By the way, they made similar representations
23 about [REDACTED]

24 Q The military?

25 A The military. They wanted more involvement.

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1 Q Mr. Secretary, on a different subject, when we
2 met with you in April we asked you about the possibility
3 of linkage between the provision of U.S. security
4 assistance and contra support, and if I understood your
5 statements to us at the time -- and correct me if this is
6 an inaccurate restatement -- these matters are complex
7 and that there are things that are related but that you
8 were not aware of any instances in which we had provided
9 security assistance as an inducement to or an after-the-
10 fact reward for a country giving aid to the contras
11 during a period when we could not do so; is that correct?

12 A Yes. That certainly is my experience of it,
13 yes.

14 Q And I believe you said that in no instance you
15 could think of did we provide anybody something that we
16 otherwise would not have wanted them to have anyway; is
17 that correct?

18 A Not only that. I don't even know of an
19 instance where we suggested to somebody that we would do
20 that as a future reward for doing something.

21 Q All right. With that discussion and those
22 understandings as background, what can you tell us about
23 the decision to provide [REDACTED] to the
24 [REDACTED] government in connection with any support that
25 they have given in the past or might give in the future

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1 to the contras?

2 A I don't believe we addressed it in that
3 context.

4 Q We meaning the Department of Defense?

5 A Anybody that I'm aware of. I mean, that was
6 the premise that we just went through.

7 Q Yes, sir. Let me have this marked as the next
8 exhibit.

9 (The document referred to was
10 marked Taft Exhibit Number 11
11 for identification.)

12 (Pause.)

13 It's an itinerary and some briefing papers.

14 (Pause.)

15 MR. GARRETT: Are the tabs attached, John?

16 MR. SAXON: No, and we did not receive them
17 with the tabs attached. This is the entire document as
18 we received it from the NSC.

19 MR. GARRETT: You never got the tabs?

20 MR. SAXON: No.

21 THE WITNESS: So these went down to [REDACTED]
22 [REDACTED] Are these the same trip or different trips?

23 BY MR. SAXON: (Resuming)

24 Q It should be the same trip.

25 A Funny. Originally he just seems to be going--

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1 oh, wait a minute. There he is.

2 Q At some point the dates for the trip changed.

3 A Okay. Well, I've got it in a general way.
4 Why don't we go to wherever you are most interested?

5 Q For the record, let me say what this is that
6 we are looking at as Exhibit 11. The top is a memorandum
7 from Colonel North to Admiral Poindexter dated December
8 10, 1985, in which Colonel North is proposing an
9 itinerary for a trip to Central America by Admiral
10 Poindexter, who is about to become or has just become the
11 National Security Advisor. And there are additional
12 memoranda pertaining to that same trip.

13 I would ask, Mr. Secretary, that you look at
14 the page that bears the number N-31907 at the top and has
15 the heading Current Situation and Objectives for
16 [REDACTED]

17 A Yes.

18 Q In the first two paragraphs I'd like to read
19 portions of it to give a flavor for what Colonel North
20 indicates the objectives of these meetings are, and, by
21 the way, the previous page indicates that for this
22 itinerary he has had discussions with Ambassador Walker
23 at State and General Galvin, the SOUTHCOM commander.

24 He states: "The purpose of the meeting in
25 [REDACTED] is to reopen our logistics link through [REDACTED]"

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1 for a variety of reasons. [REDACTED]

2 [REDACTED] "has seen fit to terminate both arms and
3 humanitarian assistance deliveries through [REDACTED]

4 [REDACTED] The effect on the Nicaraguan resistance has
5 been devastating."

6 In the next paragraph he says: "From previous
7 meetings with [REDACTED] it is obvious that the [REDACTED]
8 perceive that the USG" -- United States Government -- "is
9 using [REDACTED] for its own political ends. They have
10 learned that we withhold our assistance. [REDACTED]

11 [REDACTED] in order to
12 force concessions from them. They are now using the same
13 tactic with us as a means of ensuring that the USG will
14 come through for them."

15 I realize that you probably have not seen any
16 of these documents and you've only had a moment to
17 quickly look at them, but from what Colonel North is
18 telling Admiral Poindexter it seems clear that he is
19 proposing that Admiral Poindexter make a trip to Central
20 America to talk to [REDACTED] to get them to reopen
21 the logistics link to aid the FDN, which from other
22 testimony we know to be to aid the southern front
23 efforts. And he's saying that they have learned that we
24 are withholding our aid in order to get concessions from
25 them in this context.

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1 Let me simply ask you, Mr. Secretary, if this
2 is something that you would agree with in terms of how we
3 are using our security assistance programs vis-a-vis
4 [REDACTED]

5 A No, I'm not aware of any instance in which we
6 have done that around this period in relation to this
7 area.

8 Q So to the extent that Colonel North says that
9 they have learned that we withhold our assistance, e.g.,
10 [REDACTED]

11 Congress does, but we don't. We're always in
12 favor of sending things.

13 Q So you would disagree with any inference that
14 one can draw here that we wanted [REDACTED] to aid the
15 contras and that we're going to provide them any security
16 assistance?

17 A What this says is that they think that we
18 don't give them money or threaten not to give them money
19 in order to get them to do things we want. I don't think
20 that that's the case in the specific context that we are
21 then talking here. I mean, it is certainly true that we
22 don't give assistance to people whose objectives are not
23 coincident with our own, but that's a fact. It's not an
24 attempt to influence those policies.

25 Q Let me provide an additional exhibit that may

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1 address this more directly and give you a moment to look
2 at Taft Deposition Exhibit 12.

3 (The document referred to was
4 marked Taft Exhibit Number 12
5 for identification.)

6 (Pause.)

7 A Okay. I've pretty much got it.

8 Q Mr. Secretary, let me ask you to look first
9 toward the back of this collection of materials and the
10 memorandum of [REDACTED] and C-3748 is the page number.

11 A Um-hum.

12 Q It's dated 23 October 86, and [REDACTED]



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Now from the context of this memorandum it's clear that this trip with Secretary Abrams [REDACTED] was to help sell the Administration's Central America program, and I believe I'm correct in saying that the context of aiding contras is what is being discussed when he talks about [REDACTED] allowing supplies to begin moving as scheduled. It seems to be that in exchange for that support [REDACTED] are wanting [REDACTED] and it says that DOD is working this problem.

Based just on that, and assuming that I'm correct in the representations I make, what's your understanding of what DOD was doing at the time and what DOD understood to be the situation regarding these planes?

A What we were doing was what we had been doing for some time, which was to try to provide [REDACTED]

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1 with an upgrade for their airplanes.

2 Q Their [REDACTED]

3 A Yes, they're slightly less than super, if
4 you've seen them. And what we wanted to do and ever
5 since I'd seen them personally in '84, I guess, it was
6 obvious that they needed to be replaced.

7 Q Did we accelerate our efforts in trying to
8 provide them with that upgrade after this trip?

9 A We may have been more successful in getting
10 things done, but as far as I can recall -- and I was down
11 there myself in '86, I think, also in [REDACTED]
12 Central America in probably March --

13 Q March 6 of '86?

14 A Yes. And they were then and had been for some
15 time wanting replacements, and we wanted them to have
16 replacements. And the question was what the replacement
17 would be, and they wanted as many replacements as soon as
18 possible as they could get. And they always had. And we
19 wanted them to have them.

20 So while I see that they may have been
21 demanding this, the implication here in [REDACTED] memo
22 is that they wouldn't do what he wanted them to do on the
23 Nicaraguan program unless they got airplanes, [REDACTED]
24 [REDACTED] which they were then looking at. That didn't
25 cause us the slightest problem at all. I mean, it's like

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1 demanding, throwing a tantrum and saying you won't stop
2 unless I do something that I fully have every intention
3 of doing and want to do.

4 Q Look down at the first item in this exhibit,
5 which is the memorandum for record of Mr. Douglas George,
6 who I take it was at a breakfast meeting of Director
7 Casey and Secretary Weinberger and yourself on 24 October
8 86. And in the numbered item 21, as you can see, there
9 are a few of the items that the Agency has deleted. It
10 states: "Regarding Central America the DCI said that
11 Secretary Abrams had reported that [REDACTED] were
12 'holding us up'. Secretary Taft said that it was the
13 same old story, more, i.e., gear, [REDACTED] and faster, and
14 the U.S. was doing exactly that."

15 I take it then your testimony is that we were
16 simply providing them what we wanted to provide them
17 anyway and that we were not allowing this security
18 assistance -- we were not allowing ourselves to be
19 dictated to in this regard just because we wanted [REDACTED]
20 [REDACTED] to support our contra plan; is that correct?

21 A I think it's exactly what this fellow has
22 written down here. The idea that they want more and
23 faster is not new. It's what they've wanted for some
24 time. It's an old story, as it says here, and we're
25 doing that and we want to do that. And that's the same

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1 old story, too, that we wanted to do it.

2 So that's essentially what I just said, I
3 guess.

4 Q All right. Mr. Secretary, the final area of
5 inquiry from me -- and I would ask that this document be
6 offered as Exhibit 13 -- is to ask you about that trip
7 you just referenced [REDACTED] in March of '86. I'll
8 give you a moment to look at this.

9 (The document referred to was
10 marked Taft Exhibit Number 13
11 for identification.)

12 (Pause.)

13 A Okay.

14 Q All right. This exhibit is a cable from the
15 American embassy in [REDACTED] to the Secretary of State
16 on March 11, and, Mr. Secretary, it references the trip
17 you had made on March 6 which you alluded to a moment
18 ago, and I simply want to ask you if when you were there
19 and met with these Nicaraguan resistance leaders who are
20 named in numbered paragraph two, whether they raised with
21 you the issue of the private supply operations and the
22 support for the southern front, particularly in light of
23 paragraph five, where it says that when they begin
24 implementation of their infiltration into Nicaragua they
25 would need a reliable aerial resupply system in order to

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1 keep those troops in-country and not have to continue to
2 return to [REDACTED]

3 Was that a topic that came up?

4 A It says it was.

5 Q The private supply operation which we talked
6 about previously either through the air strip [REDACTED]
7 [REDACTED] in order to get lethal
8 supplies to the southern front, is that something that
9 was discussed in these sessions?

10 A Not how they were doing it. I think at the
11 time -- what does it say here? I'm just trying to
12 refresh my recollection of this thing.

13 Q It just says that the FDN leaders --

14 A When they are ready to go, when they get more
15 people inside.

16 Q They are going to need a good, reliable aerial
17 resupply system.

18 A And not continue the constant return trips to
19 [REDACTED] for resupply, which I assume is walking. This
20 is, I dare say, exactly what we discussed.

21 Q But the question is beyond the generic need
22 for resupply assistance was there any express discussion
23 about --

24 A How they were being supplied at the time?

25 Q There's testimony that the frequency of usage

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1 in the private supply network increased about this time
2 and the question is whether they raised with you or
3 discussed anything about the private supply network and
4 whether the U.S. Government in any way could be of
5 assistance to the use of that effort.

6 A I don't think so, no. I don't recall that.
7 This was at a time, I think -- we were, I think, in the
8 humanitarian business but not any other business.

9 Q The U.S. Government and State Department were
10 in the humanitarian business.

11 A So we were not the people to come to about the
12 military side of it, and we had a humanitarian program.
13 We were trying to get into the military business for
14 later on, but we hadn't succeeded, so they weren't going
15 to get anything from us in that area, I guess.

16 MR. SAXON: Mr. Secretary, those are all the
17 questions I have. I appreciate your bearing with me.
18 Let me see what my colleagues have.

19 MR. SABA: I just have a few, sir.

20 EXAMINATION

21 BY MR. SABA:

22 Q Do you recall, sir, when you first discussed
23 the Iran initiative with Assistant Secretary Armitage?

24 A It probably would have been sometime around
25 the same time I discussed it with the Secretary, and

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1 since I am not very good on that I don't suppose I would
2 be very good on the others -- around the turn of the
3 year.

4 Q Presumably --

5 A It would not have been very long after having
6 discussed it with the Secretary, simply because I see
7 Mr. Armitage quite a bit and we tend to discuss things.

8 Q Now I will focus on the period of November
9 '85, middle of the month, toward the end of the month,
10 Thanksgiving as a point of memory, perhaps. Do you
11 recall if he provided you with copies of any memos, legal
12 papers or other papers he was having prepared for him in
13 connection with a briefing for the Secretary in
14 connection with the Secretary's attendance at a White
15 House meeting on December 7?

16 A No.

17 Q Do you recall any discussion in preparation
18 for that meeting?

19 A No. My recollection is that I got involved
20 later than that. I may be wrong about that, and it could
21 have been earlier, but if I was aware of the program
22 earlier than that it wasn't in any -- it wasn't in a way
23 where I was playing a major -- where I was discussing it
24 a lot. I mean I deduce that because if I had been
25 discussing it a lot I think I would remember it more.

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1 Q Do you recall if in December he mentioned to
2 you that he had one or more meetings with Oliver North
3 about the initiative? The context in which we understand
4 these meetings to have taken place is that the Secretary
5 received some information reports that some American
6 officials were engaged in discussions with Iranian
7 officials in Europe concerning weapons and transfers and
8 sales, and it was unclear, and the Secretary apparently
9 had asked Secretary Armitage to see what he could find
10 out.

11 Secretary Armitage in turn, among other
12 things, had at least one or perhaps more meetings and
13 conversations with Oliver North which took place very
14 early in December, and he apparently reported the gist of
15 those conversations back. Do you have any recollection
16 of that, of his reporting on those conversations?

17 A No.

18 Q Do you remember if in the early January period
19 -- we have that period where Noel Koch comes in and makes
20 a report and so forth before the Finding, which was about
21 the 17th -- before then do you recall any discussions
22 with Secretary Armitage or any briefings or information
23 that he may have provided about the project?

24 A Not specifically, no. There could have been,
25 of course, but I don't recall any specific one.

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1 Q Do you recall if he had been engaged, in
2 particular if he had discussed with you or if you had
3 heard that he was engaged in an activity seeking to
4 determine how best to prevent leaks about the project --
5 that is, to keep it very tight or close-held?

6 MR. GARRETT: Who are you speaking about?

7 BY MR. SABA: (Resuming)

8 Q Secretary Armitage.

9 A No.

10 Q All of these questions at the moment have to
11 do with Secretary Armitage. In late '86, when the
12 matters were reviewed I believe you mentioned earlier
13 this afternoon that Secretary Armitage was present in
14 those discussions.

15 A Late '86?

16 Q Late '86.

17 A After?

18 Q After the disclosures. Do you recall what his
19 participation was in those meetings?

20 A In what meetings?

21 Q In late '86, the meetings in which the events
22 of earlier that year and perhaps of '85 were reviewed and
23 discussed as to what had happened and chronologies were
24 formed?

25 A I'm not even sure I was in a lot of those

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1 meetings.

2 Q That's all right. But do you recall if you
3 were in meetings in which Secretary Armitage took part?

4 A Not too many. I guess, Larry, you were
5 engaged in putting together some materials with Rich
6 Armitage, and I think I instructed maybe a couple of
7 times in the Secretary's absence that, and there were a
8 lot of people investigating and we were providing,
9 gathering up documents and providing them to different
10 people. And I certainly on more than one occasion
11 instructed everybody in the Department to coordinate with
12 Larry Garrett and Rich Armitage.

13
14
15 Q

16 A For assuring that we were aware of all of the
17 requests that were being made of us and being responsive
18 to them in the proper fashion. I may have met with them,
19 maybe, and probably did meet with them a couple of times,
20 but not in any extensive way.

21 I think that mostly they prepared a paper, a
22 chronology of it, which I saw, but I don't know that we
23 really met about it a lot.

24 Q Do you recall any conversations with him?

25 A Not many. I don't remember any specific

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1 conversation. I certainly had conversations with him
2 about this.

3 Q Do you recall any conversations in which it
4 was indicated that one of the reasons it was so closely
5 held in January of '86 was that to have treated it
6 otherwise than in the normal course of procedures would
7 have been to have revealed that the '85 transfers had
8 taken place -- that is, one of the issues was the
9 replenishment of the 508 TOWs that had been transferred
10 in August and September of '86 and in fact those TOWs
11 were replenished -- I'm sorry, TOWs that had been
12 transferred in August and September of '85 were in fact
13 replenished in May of '86?

14 Do you recall any such conversations?

15 A No. That would be a reason why the people on
16 the NSC might have wanted it to be close hold, but it
17 wouldn't have applied to us because we weren't aware of
18 them, or I wasn't aware of them. I wasn't trying to
19 conceal them from anybody; I didn't know they had
20 happened.

21 MR. SABA: I have nothing further, sir. Thank
22 you.

23 MR. GENZMAN: I have no questions. Thank you
24 for your time.

25 MR. KREUZER: I have maybe just a couple, Mr.

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1 Secretary.

2 EXAMINATION

3 BY MR. KREUZER:

4 Q Does the National Security Adviser have the
5 authority to give a Cabinet Secretary an order?

6 A What he will do from time to time -- the short
7 answer is no, unless the Cabinet officer wants to comply
8 with it, in which case it's yes. But what typically
9 happens or what does happen quite frequently is the
10 National Security Adviser will sign a document and it
11 will have the words on it, "for the President", and it
12 will be the National Security Adviser's signature there
13 instead of the President. So in that sense the President
14 is the one who is directing.

15 Q So that would be at the time that he could
16 say --

17 A The usual form, I really think -- and I don't
18 know whether they do it invariably, but almost all of the
19 directions that we receive that are signed by the
20 National Security Adviser are "for the President", and
21 those words are included.

22 Q Now could he give it verbally and say that
23 this is for the President? Would it carry the same
24 weight? If he said I'm giving you an order and this is
25 for the President, then it would carry the same weight?

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1 A Yeah. As I said, I think you have to
2 understand that these are people who work with each other
3 every day for years on end and if the Secretary disagrees
4 with an instruction or direction or suggestion that he
5 gets from the National Security Adviser, he knows exactly
6 what he can do, and he has done it many, many times, and
7 that is to say I want to take that issue to the
8 President.

9 Now if he already knows that the President has
10 addressed it and decided it, he wouldn't say that. He
11 would just say, fine, I understand, or he might say could
12 you take that back up to the President. I'd like to be
13 sure. And the National Security Adviser would do that.
14 Now you operate in this environment completely on
15 confidence in each other that that's happening -- I mean
16 that in fact people are telling you, if they say that the
17 President is saying this, that indeed he is.

18 If he isn't or if you begin to feel that he
19 isn't, you've got a lot of problems working in this
20 environment.

21 Q What if a National Security Adviser asked a
22 Cabinet Secretary to perform a certain task that both
23 well know is covered by policy and that both well know is
24 an appropriate request?

25 A An appropriate request?

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~~SECRET/NOFORN~~

UNCLASSIFIED
TOP SECRET/CODENWORD

95

1 Q An appropriate request, and he didn't say I'm
2 speaking for the President. He just said I am requesting
3 that you do this, and the Cabinet Secretary hears the
4 request and says this is policy. So would he be likely
5 to say well, that's fine, I'll do that?

6 MR. GARRETT: Roger, you mean Presidential
7 policy?

8 THE WITNESS: I could give you an example. I
9 can give you an example of a case that may be just in
10 terms of the authority and what a Cabinet officer can do
11 and what he does do.

12 In the Achille Lauro incident, for instance,
13 the Secretary -- I was here and I was getting from the
14 National Security Advisor or, actually the Deputy
15 National Security Advisor, John Poindexter, because Bud
16 McFarlane was off in New York or something, directions to
17 intercept the airplane that afternoon. I got these
18 directions and the first thing I did when I said thank
19 you -- and this is very time sensitive; we had three
20 hours or something to deal with this -- I tried to reach
21 the Secretary to tell him I was getting these directions.

22 And I did things like -- I did things that
23 would enable me to carry out the mission or that had to
24 be done so that I would still be able to carry it out,
25 but I did not give the instructions to carry out the

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TOP SECRET/CODENWORD

UNCLAS. SECRET/NOFORN

96

1 mission, even though John Poindexter was telling me to.
2 I never talked to the President about it, but I was
3 confident that when John was telling me that the
4 President wanted this done that we should be sure that we
5 were in a position to do it if we possibly could be.

6 When it came time to actually launch -- I mean
7 to actually execute the mission, I finally reached the
8 Secretary and I told him that the President wanted this
9 done and he said well, who is saying that. I said I've
10 talked with John Poindexter. And he said are you sure
11 that the President wants this done, and I said yes, I am
12 sure.

13 And he said, well, I want to be even more sure
14 and he called the President himself, and then he called
15 me back and told me fine, go. So that's just an instance
16 where he did not take this route, and that is open to
17 him. That option is open to him and, as you can see from
18 what I just told you, he uses it when he feels he wants
19 to.

20 BY MR. KREUZER: (Resuming)

21 Q But we could say, then, that the National
22 Security Adviser, if he says I would like you to do
23 something and it's Presidential policy because he works
24 for the President and that's part of his Administration,
25 then that would be a proper thing that a Cabinet

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UNCLASSIFIED
SECRET/NOFORN

97

1 Secretary would follow?

2 A If he wants to. If he disagrees with it -- I
3 mean, the issue only arises when the Cabinet member does
4 not want to do what somebody is telling him to do, other
5 than the President. And if he doesn't, he is entirely
6 capable of calling the President and asking him whether
7 he wants him to do it, and that's his route. That's what
8 he does.

9 Q This is my last part of the question. Would
10 the National Security Adviser have the authority to issue
11 a request to a Cabinet Secretary if he were plowing new
12 ground on policy which had not been established with the
13 President but which he estimated would be what the
14 President would want to be done? Would it be likely? I
15 mean, could he give an order based on an estimate of the
16 situation that the President isn't there, can't answer
17 the question or for some reason could he request that a
18 Cabinet officer perform a duty that isn't covered by
19 Presidential policy?

20 A I think the answer is a practical one. He can
21 give such a direction. A Cabinet officer can follow it
22 or he can give such a direction and then it happens, and
23 that's the end of it. Or he can give such a direction
24 and the Cabinet officer can say I don't want to do that.
25 Then he can't give such an order. Or he can give it, but

UNCLASSIFIED
SECRET/NOFORN

UNCLASSIFIED
SECRET/CODEWORD

98

1 it won't happen.

2 You know, no one -- and this is not just here;
3 I mean, this is true in HHS, the Chief of Staff of the
4 White House, just the way you run things. If I give an
5 order to somebody here, and I accept this, they can
6 always ask the Secretary if that's what he wants them to
7 do. They don't often do it, but they could, and if they
8 did I wouldn't object. I mean, that's open to them.

9 MR. SAXON: Mr. Secretary, we know your time
10 is at a premium and both Committees appreciate very much
11 your giving us this much of your time and appreciate your
12 testimony. It has been very helpful.

13 THE WITNESS: Okay. I hope so.

14 (Whereupon, at 6:50 p.m., the taking of the
15 instant deposition ceased.)

16 _____
17 Signature of the Witness
18 Subscribed and Sworn to before me this _____ day of
19 _____, 1987.

20 _____
21 Notary Public
22 My Commission Expires: _____

UNCLASSIFIED
SECRET/CODEWORD

UNCLASSIFIED

CERTIFICATE OF REPORTER

I, Michal A. Schafer, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by ME; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michal Ann Schafer
NOTARY PUBLIC

My Commission expires: 2/28/90

UNCLASSIFIED

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Taft Deposition Ex.
#1

12 MAR 86

N 9897

Paul,
Put this with the
finding

3/12/86

JR

RECEIVED
FBI

NOV 29 1985

Copy is Received

T108

Exempt from GDS, 36 on 30/11/1987
under provision E.O. 12356
by B. Reith, JASON, Security Council

3102

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SC
EX 2
4/15/87
GWS



UNCLASSIFIED

OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

N 989

12 March 1986

John
MEMORANDUM FOR VICE ADMIRAL POINDEXTER

The attached memorandum from the Director of the Army Staff is self-explanatory. It reflects the unease of the Army General Counsel's office over the transfer of items with which you are familiar. As you know, we have been handling this program on a very close hold basis, and the Army has been told nothing with respect to destination. Per guidance received from NSC, the Army has been told that they have no responsibility for Congressional notification. The Army has also been told that whatever notifications are to be made will be taken care of at the appropriate time by the appropriate agency and that the Attorney General has provided an opinion that supports this position.

The Secretary asked that I make you aware of the Army's concerns in the event you wish to advise the DCI or the Attorney General.

Colin L. Powell
Major General, USA
Senior Military Assistant
to the Secretary of Defense

3102a

Partially Declassified/Released on 30 July 87
Under authority of E.O. 12356
By the Director, National Security Council

UNCLASSIFIED



UNCLASSIFIED
SECRET
 DEPARTMENT OF THE ARMY
 OFFICE OF THE CHIEF OF STAFF
 WASHINGTON, D.C. 20310

N 9900

7 MAR 1985

DACS-2D

MEMORANDUM FOR THE MILITARY ASSISTANT TO THE SECRETARY OF DEFENSE

SUBJECT: Congressional Notification of Significant Intelligence Activities (U)

1. (TS//NOFORN) On 18 January 1986, the Army responded to a verbal tasking from your office to provide 1,000 TOW missiles to the Central Intelligence Agency with a contingency for 3,309 more at a later date. The first 1,000 missiles were delivered on 14 February 1986 to the CIA.
2. (TS//NOFORN) This request for support circumvented the normal [redacted] system for reasons of security, yet the support exceeded the \$1 million threshold established in the FY86 Intelligence Authorization Bill for reporting to Congress as a "significant intelligence activity." Funds in excess of \$1.3 million were provided by the CIA to reimburse the Army for the first 1,000 missiles. Billing and payment will occur within 60 days, or when all missiles are delivered, whichever is shorter. The Agency expects to complete the project within 60 days.
3. (TS//NOFORN) SECDEF memorandum of 13 June 1983, subject: DoD Support [redacted] (S), establishes responsibility for notification of Congress of DoD support to the Agency with the Deputy Under Secretary of Defense for Policy. It also confirms that primary responsibility resides with the Director, Central Intelligence. In the case of the TOW missile, the Army understanding on responsibilities for notification conforms with your June 1983 memorandum.
4. (TS//NOFORN) This memo is to assure understanding of statutory requirements should this issue be raised by one of the Congressional intelligence committees in the future.

Partially Declassified/Released on 30 July 87
 under provisions of E.O. 12356
 by D. Reger, National Security Council

3102b

ARTHUR B. BROWN, JR.
 Lieutenant General, GS
 Director of the Army Staff

CLASSIFIED BY: DASP
 DECLASSIFY ON: OADR

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NOFORN

UNCLASSIFIEDNATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506*Calvin Galvin*
CIVILIAN
15 JAN 86
*6596**Tast. Ex.*
#8

307

ACTION

January 15, 1986

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTON

N 30632

SUBJECT: Meeting with General Jack Galvin, USSOUTHCOM

You are scheduled to meet with General Jack Galvin on Thursday, January 16 from 10:30-11:00 a.m. General Galvin has some specific recommendations on future plans for more effective support to the Democratic Resistance Forces (DRF) in Nicaragua. In this regard, Elliott Abraham advised today that Senator Dole is drafting a bill which will provide overt military support for the DRF. He reportedly has Senators Lugar, Bumpers, and Boren as co-sponsors and Senator Sam Nunn is considering whether or not to "sign-on."

General Gorman was and is an active proponent of a greater role for the Special Forces in training/advising both the Salvadoran military the DRF. General Galvin shares this belief. Both remain convinced that the CIA lacks the military expertise necessary to adequately train and advise the DRF in an appropriate strategy or even the proper tactics. Their concern is not unfounded. To this date, the CIA has been unable to produce a coherent military strategy, the tactics to support such a strategy, or to adequately train the force to accomplish either. Admittedly, some of the problem is because of our "on again-off again" Congressional restrictions. But, no small part of the problem is a lack of expertise in the paramilitary side of the CIA operations directorate.

Partially Declassified Pursuant to 24 Jan 86
under provisions of E.O. 12356
by K. Johnson, National Security Council

Finally, General Galvin has asked that you agree to periodic (about once a month) meetings with you to discuss sensitive issues. You should be aware that General Galvin is a participant of the activities underway in both Costa Rica and at [redacted] in support of the DRF. General Galvin is enthusiastic about both endeavors. I will be flying with General Galvin to Costa Rica after the meeting with a return Tuesday morning.

RECOMMENDATION

That you review the points above prior to your meeting.

Approve

Disapprove

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4/1/86

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U.S. MILITARY GROUP EL SALVADOR

APO MIAMI 31023 1 FEB 85

SUBJECT: Felix Rodriguez

THRU: DCM

TO: AMB PICKERING

Per your guidance, attached is a draft
backchannel to Gen Gorman on our
"no pay" mercenary.


STEELETaft Ex. #9
6/25/87 mac

Partially Declassified/Released on 10 Feb 88
under provisions of E.O. 12958
by K. Johnson, National Security Council

(5731)

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14 Feb 85

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FM USSOUTHCON

TO [REDACTED]
ZTH
CONFIDENTIAL

PNA-0459-14-FEB-85

QQQQ
EYES ONLY//EYES ONLY//EYES ONLY//EYES ONLY//
NIACT IMMEDIATE

FOR AMBASSADOR PICTERING AND COL STEELE FROM GEN GORMAN

SUBJECT: FELIX RODRIGUEZ (S)

1. (C) I HAVE JUST MET HERE WITH FELIX RODRIGUEZ, PENSIONER
FROM MIAMI. BORN IN CUBA, A VETERAN OF GUERRILLA OPERATIONS,

[REDACTED] HE IS
OPERATING AS A PRIVATE CITIZEN, BUT HIS ACQUAINTANCESHIP WITH THE VP
IS REAL ENOUGH, GOING BACK TO LATTER'S DAYS AS DCI.

2. (C) RODRIGUEZ' PRIMARY COMMITMENT TO THE REGION IS IN [REDACTED]
WHERE HE WANTS TO ASSIST THE FDN. I TOLD HIM THAT THE FDN DESERVE
HIS PRIORITY. I ALSO TOLD HIM THAT YOUR WORK WITH THE PRAL WAS
ADVANCING WELL, AND THAT WE HAD MADE PROGRESS WITH TRAINING OTHER
PATROL FORCES. I WARNED HIM THAT WHATEVER HIS CONSULTING ROLE IN THE
REAL AMOUNTED TO, HE COULD NOT BECOME VISIBLE TO THE PRESS IN ANY
MANNER WITHOUT DAMAGING OUR CAUSE THERE. I ALSO CAUTIONED THAT FL
WAS A VERY MUCH MORE DELICATE ENVIRONMENT WITH RESPECT TO CIVIL-
MILITARY RELATIONS AND RESPECT FOR HUMAN RIGHTS THAN ANY HE HAD
OPERATED IN BEFORE.

3. (C) HE WILL WANT TO TRY WITH THE LSAP TO ESTABLISH HIS
CREDIBILITY, BUT THAT BIT OF MACHISMO SEEMS TO ME BOTH UNNECESSARY
AND UNWISE.

4. (C) MY JUDGMENT IS THAT HIS ADVICE WILL REINFORCE OURS, AND
THAT WE SHOULD PUT NO OBSTACLES IN HIS WAY TO CONSULTING WITH
BLANDON OR BUSTILLO UNLESS AND UNTIL WE GET COUNTERINDICATIONS. I
RECOMMEND THAT JIM STEELE MEET WITH HIM, [REDACTED] AND AMBASSADOR

11. [REDACTED] MAY ALSO WANT TO INTERVIEW HIM, BUT OUR MAIN INTEREST IS, AS I SEE
IT, TO INSURE WE KNOW WHAT HE IS TELLING BLANDON AND BUSTILLO VIA
IN-BRIEF AND OUT-BRIEF.

(C) ASSUMING YOUR APPROVAL, I WILL SEND RODRIGUEZ TO [REDACTED]
COMBENCO, 15 FEB, ON ONE OF MY C-125. HE WILL ARRIVE AROUND 1200
LOCAL. HE IS A LONG-TIME FRIEND OF LOU RODRIGUEZ AND, IF AVAILABLE,
WOULD APPRECIATE IT IF LOU COULD BE HIS CONTACT POINT. I ANTICIPATE
HE WILL WANT TO DEPART FOR MIAMI ON SATURDAY.

DECLAS OADR

SSO NOTE: DELIVER IMMEDIATELY.

RY225

Partially Declassified/Released on 30 July 1987
under provisions of E.O. 12356
by B. Rager, National Security Council

NNNN

UNCLASSIFIED

3180

Common
UNCLASSIFIED

BACK CHANNEL

Partially Declassified/Released on 30 July 1987
 under provisions of E.O. 12336
 by B. Rader, National Security Council

D 23180
File for me
S

ACTION: STATE RCI, IMMEDIATE
 USSOUTHCOM, IMMEDIATE

EYES ONLY FOR ARA MOTLEY AND JOHNSTONE; SOUTHCOM FOR GENERAL
 GORMAN FROM PICKERING

SUBJ: MEETING WITH FELIX RODRIGUEZ

1. I HAD A VALUABLE MEETING WITH FELIX RODRIGUEZ FEBRUARY 15.
2. HE HAS OUTLINED A TACTIC WHICH I BELIEVE HAS MERIT AND SHOULD
 BE TRIED OUT, VIZ:



OBVIOUSLY OTHER VARIATIONS ARE POSSIBLE, BUT WE WILL HAVE TO
 INTEGRATE [REDACTED] ISSUE AND HANDLE IT BETTER THAN EVER
 BEFORE IF IT IS TO WORK, SOMETHING I AGREE WITH ON ITS OWN.

3. RODRIGUEZ WILL RETURN IN 3-4 WEEKS TO WORK WITH BUSTILLO
 (FAS) AND STEELE. STEELE WILL MONITOR CLOSELY. RODRIGUEZ UNDER-
 STANDS MY GENERAL RULES -- NO CIVILIAN CASUALTIES AND HE IS NOT
 TO ACCOMPANY FAS ON COMBAT MISSIONS AND AGREES. WE WILL START

UNCLASSIFIED

(3055)

UNCLASSIFIED

D 23181

SLOWLY AND CAREFULLY TO SEE WHAT APPROACH CAN PRODUCE. HE WILL
TAKE ON HIGHER PRIORITY [REDACTED] MISSION FIRST.

4. FOR ARA: PLEASE BRIEF DON GREGG IN VP'S OFFICE FOR ME.

UNCLASSIFIED

December 10, 1965

Test Ex. 673
#11

TU- 5/26/87

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Trip to the Central America Region

Attached at Tab I is a NSC Staff Travel Authorization Sheet for a proposed trip to the Central American region headed by VADM Poindexter on December 11-12, 1985.

Participants:

VADM John H. Poindexter
Asst. Sec. of State William Abrams
Asst. Sec. of State William Walker
Lt. [redacted] ADMIRALTY

LEONARD ALFRED NORTH
G. PHILIP NORTH
RAYMOND BUNGHANDT

General Itinerary:

Depart 6:30 p.m., Wed, Dec 11
Arrive 11:00 p.m.

Depart 9:00 a.m., Thurs, Dec 12
(save one hour enroute -

Arrive 9:00 a.m.

Depart 10:30 a.m.

Arrive 11:40 a.m.

Depart 1:00 p.m.

Arrive 1:30 p.m.

Depart 3:30 p.m.

Arrive 5:15 p.m.

(gain one

Depart 6:30 p.m.

Active 12:00 midnight

Andrews AFB
Howard AFB, Panama
(Remain Overnight)
Howard AFB, Panama
(ge of time zone)
San Jose, Costa Rica
San Jose, Costa Rica
Ilopongo AB, El Salvador
Ilopongo AB, El Salvador
Palmerola AB, Honduras
Palmerola AB, Honduras
La Aurora AB, Guatemala City
(ge of time zone)
La Aurora AB, Guatemala City
Andrews AFB

NSC will defray expenses for North and Hughes' travel. Travel will be by military aircraft. Trip has been verbally approved by Poindexter.

RECOMMENDATION

That you authorize Rick Benner to cut the appropriate travel orders for both North and Hughes.

Approve

Disapprove

Attachment

Tab I - NSC Staff Travel Authorization Sheet

~~SECRET~~
Declassify: OADR

cc; Phil Hughes

Partially Declassified 7/26/2001 on 90 JUL 1981

THE UNIVERSITY OF CHICAGO PRESS

Sy. B. Rogers, National Security Council

UNCLASSIFIEDDATE: Dec 10, 1981

1. TRAVELER'S NAME: James Earl Ray and G. Philip Hughes
2. PURPOSE(S), EVENT(S), DATE(S): To accompany VADM Poindexter on brief, low-profile trip to Central American region to confer with top ranking U.S. officials and to reinforce the continuity of U.S. policy in the region. (see cover memo for itinerary)
N 31900
3. ITINERARY (Please Attach Copy of Proposed Itinerary): see cover memo
DEPARTURE DATE Wed, Dec 11 RETURN DATE Thurs, Dec 12
TIME 6:30 p.m. TIME 12:00 midnight
4. MODE OF TRANSPORTATION:
GOV AIR XX COMMERCIAL AIR POV RAIL OTHER
5. ESTIMATED EXPENSES:
TRANSPORTATION PER DIEM XX OTHER TOTAL TRIP COST
6. WHO PAYS EXPENSES: NSC XX OTHER
7. IF NOT NSC, DESCRIBE SOURCE AND ARRANGEMENTS: N/A
8. WILL FAMILY MEMBER ACCOMPANY YOU: YES NO XX
9. IF SO, WHO PAYS FOR FAMILY MEMBER (If Travel Not Paid by Traveler, Describe Source and Arrangements): N/A
10. TRAVEL ADVANCE REQUESTED: \$ 0.00
11. REMARKS (Use This Space to Indicate Any Additional Items You Would Like to Appear on Your Travel Orders):
12. TRAVELER'S SIGNATURE: James Hall for

UNCLASSIFIEDNATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

December 1, 1985

SYSTEM II
91229*Handwritten:*
Central
American~~SECRET~~ACTION

N 31901

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Trip to Panama and Honduras.

Based on your guidance, arrangements have been made for you to meet with [REDACTED]

[REDACTED] (Dec 5). The itinerary and substance of your meetings have been discussed with State (DASS Bill Walker) and SOUTHCOM (General Galvin).

Attached at Tab I is a NSC Staff Travel Authorization Sheet for a proposed trip to Panama and Honduras on December 4-5, 1985.

Participants:Mr. John M. Poindexter
Mr. Richard Armitage
Mr. William Walker
Mr. [REDACTED]Mr. Oliver L. North
Mr. Raymond Burghardt
G. Philip HughesGeneral Itinerary (details at Tabs III and IV):

Depart	2:30 p.m., Wed, Dec 4	Andrews AFB
Arrive	7:35 p.m.	Howard AFB, Panama (Remain Overnight)
Depart	9:00 a.m., Thurs, Dec 5	Howard AFB, Panama
Arrive	9:50 a.m.	Palmerola AB, Honduras
Depart	2:00 p.m., Thurs, Dec 5	Palmerola AB, Honduras
Arrive	7:10 p.m.	Andrews AFB

NSC will defray expenses for North and Burghardt's travel.

Attached at Tab II is a memo from you to Don Regan requesting a Special Air Mission (SAM) support for this trip.

Tabs III and IV provide an overview of the situation and the objectives we hope to achieve in Panama and Honduras, respectively. Detailed talking points for your use during the trip will be provided separately.

State (Walker), Defense (Armitage), CIA [REDACTED] and Ray [REDACTED] are available. Burghardt concurs.

Partially Declassified/Released on
under provisions of E.O.
by J. Peter H. [REDACTED]

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UNCLASSIFIED
2

SECRET

N 31902

RECOMMENDATIONS

1. That you authorize Rick Benner to cut the appropriate travel orders for North and Burghardt.

Approve _____ Disapprove _____

2. That you initial and forward the memo at Tab II to Don Regan requesting SAM support for the trip.

Approve _____ Disapprove _____

3. That you review Tabs III and IV prior to the trip.

Approve _____ Disapprove _____

cc: Rick Benner (w/o Tabs II, III, and IV)

Attachments

- Tab I - NSC Staff Travel Authorization Sheet
- Tab II - Poindexter Memo to Regan
- Tab III - Current Situation and our Objectives for Panama
- Tab IV - Current Situation and our Objectives for Honduras

SECRET

UNCLASSIFIED

DATE: Dec 2, 1985

- UNCLASSIFIED**
1. TRAVELER'S NAME: James Marshall R. Burghardt
2. PURPOSE(S), EVENT(S), DATE(S): For official meetings in Panama and Honduras December 4-5, 1985.
N 31905
3. ITINERARY (Please Attach Copy of Proposed Itinerary): see memo SYSTEM II 9122
- DEPARTURE DATE Wed, Dec 4 RETURN DATE Thurs, Dec 5
 TIME 2:30 p.m. TIME 7:10 p.m.
4. MODE OF TRANSPORTATION:
 GOV AIR XX COMMERCIAL AIR POV RAIL OTHER
5. ESTIMATED EXPENSES: (\$126.00 per diem for or
 TRANSPORTATION PER DIEM XX OTHER TOTAL TRIP COST \$252.00
6. WHO PAYS EXPENSES: NSC XX OTHER
7. IF NOT NSC, DESCRIBE SOURCE AND ARRANGEMENTS: N/A
8. WILL FAMILY MEMBER ACCOMPANY YOU: YES NO XX
9. IF SO, WHO PAYS FOR FAMILY MEMBER (If Travel Not Paid by Traveler, Describe Source and Arrangements): N/A
10. TRAVEL ADVANCE REQUESTED: \$ 0.00
11. REMARKS (Use This Space to Indicate Any Additional Items You Would Like to Appear on Your Travel Orders):
12. TRAVELER'S SIGNATURE: Jawn Hall for
13. APPROVALS:
- UNCLASSIFIED**

UNCLASSIFIEDTHE WHITE HOUSE
WASHINGTONSYSTEM II
91229~~CONFIDENTIAL~~

N 31904

MEMORANDUM FOR DONALD T. REGAN

FROM: JOHN M. POINDEXTER

SUBJECT: Special Air Mission (SAM) Support

It is requested that a SAM C-20 aircraft be provided for a proposed trip to Panama and Honduras on December 4-5, 1985. The purpose of the trip is to review the current situation in Central America with key government officials in these two countries. The itinerary for the trip is indicated below:

Proposed Itinerary:

Depart	2:30 p.m., Wed, Dec 4	Andrews AFB
Arrive	7:35 p.m.	Howard AFB, Panama (Remain Overnight)
Depart	9:00 a.m., Thurs, Dec 5	Howard AFB, Panama
Arrive	9:50 a.m.	Palmerola AB, Honduras
Depart	2:00 p.m., Thurs, Dec 5	Palmerola AB, Honduras
Arrive	7:10 p.m.	Andrews AFB

cc: The Honorable Richard P. Riley
Assistant to the President and
Director of Special Support Services

Released on 30 July 57
under provisions of E.O. 12356
by D. Regan, National Security Council

UNCLASSIFIED~~CONFIDENTIAL~~

Declassified on 01-01-2001

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N 31905

ONE PAGE WITHDRAWN

PRD 4/25/87

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N 31906

Based on discussions with Walker at State and General Galvin, the following detailed itinerary has been proposed for Panama:

Wednesday, December 4, 1985:

1935: Arrive Howard AFB, Panama; proceed to USAF Hdqtrs.
 1940 - 2010: 30 minute briefing w/General Galvin at USAF Hdqtrs
 2010 - 2030: Proceed via USSOUTHCOM auto to SOUTHCOM Hdqtrs [REDACTED]
 2030 - 2100: [REDACTED] attendees: Poindexter, Galvin, Walker
 2115 - 2200: Recap briefing at CG, USSOUTHCOM residence w/U.S. team and General Galvin
 2200 - morn: Poindexter RON at Qtrs 1 w/General Galvin; remainder of U.S. team RON at Casa Carribe

Thursday, December 5, 1985

0700 - 0730: Breakfast (Qtrs 1 and Casa Carribe)
 0730 - 0745: Proceed to USSOUTHCOM Op Ctr
 0745 - 0845: USSOUTHCOM regional security briefing
 0845 - 0900: Proceed to Howard AFB, Panama
 0905 - 0950: Enroute to Honduras via C-20

Reviewed on 30 July 87
 by [REDACTED] E.O. 12356
 Security Council

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N 31907

CURRENT SITUATION/OBJECTIVES FOR HONDURASThursday, December 5, 1985

- 0950: Arrive Palmerola Air Base, Honduras (save one hour enroute -- 1 hour and 50 minute flight)
- 1000 - 1215: Discussions with [REDACTED] attendees: Poindexter, U.S. team, and Amb Perch
- 1215 - 1315: Working lunch at CTF Bravo (U.S. military exercise hdqtrs)
- 1315 - 1400: Options:
- A - [REDACTED]
- B - Country team briefing by AmEmb Tegucigalpa
- 1400 - 1910: Enroute from Palmerola Air Base to Andrews AFB

~~SECRET~~

UNCLASSIFIED

Partially Declassified Pursuant to E.O. 13526
 Authority: 68 FR 61812, October 14, 2003

UNCLASSIFIEDNATIONAL SECURITY COUNCIL
WASHINGTON D.C. 20505

December 10, 1985

SYSTEM II
91229N 314000
*Central
America*~~SECRET~~ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Cable to Posts Advising of Your Trip to the
Central America Region

The cable attached at Tab I has been coordinated directly with Elliott Abrams, Amb John Ferch, and General Galvin. Please note once we arrive in Panama aboard C-20 we will be using General Galvin's C-9 in-theater. This will allow sufficient rest for your aircrew and provide more space for traveling team in-theater. Paul Thompson has coordinated aircraft support and exchange of aircraft.

RECOMMENDATION

That you authorize dispatch of the cable at Tab I
(Op Inmed via [redacted] channel).

Approve _____

Disapprove _____

Attachment

Tab I - Poindexter Cable to Central American Posts

cc: Paul Thompson
Philip Hughes

Partially Declassified/Released on 30 July 87
under provisions of E.O. 12356
by B. Reger, National Security Council

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FM: WHITE HOUSE

N 31909

TO: AM EMB PANAMA CITY, PANAMA
AM EMB SAN JOSE, COSTA RICA
AM EMB SAN SALVADOR, EL SALVADOR
AM EMB TEGUCIGALPA, HONDURAS
AM EMB GUATEMALA CITY, GUATEMALA
USCINCSO, QUARRY HTS, PANAMA

INFO: SEC STATE, WASH, D.C.
SEC DEF, WASH, D.C.
DIR. CIA, WASH, D.C.
CHMN. JCS, WASH, D.C.

S E C R E T //EYES ONLY

SUBJ: VISIT TO CENTRAL AMERICA BY ASST. TO PRESIDENT FOR
NATIONAL SECURITY AFFAIRS, DESIG. JOHN M. POINDEXTER (C)

1. SECRET--ENTIRE TEXT.

2. THE PRESIDENT HAS ASKED THE NEW NATIONAL SECURITY ADVISOR,
VADM JOHN M. POINDEXTER, TO MAKE A HASTY, LOW-PROFILE TRIP TO
CENTRAL AMERICA TO CONFER WITH TOP RANKING U.S. OFFICIALS AND TO
REINFORCE THE CONTINUITY OF U.S. POLICY IN THE REGION. IN EACH

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LOCATION THE NATIONAL SECURITY ADVISOR WOULD LIKE TO MEET WITH THE U.S. AMBASSADOR, [REDACTED] AND SENIOR U.S. MILITARY REPRESENTATIVES. INVITATION OF CINC U.S. SOUTHERN COMMAND, GENERAL GALVIN, FOR USE OF HIS AIRCRAFT IN-THEATER IS GRATEFULLY ACCEPTED. WASHINGTON BASED C-20 WILL PROCEED TO GUATEMALA TO RENDEZVOUS WITH WASHINGTON PARTY. ³¹⁹⁷⁰

3. PURPOSE OF THE TRIP IS TO MEET WITH U.S. OFFICIALS NOT REPEAT NOT WITH HOST GOVERNMENTS. PLEASE EMPHASIZE WITH HOST GOVERNMENTS THAT NATIONAL SECURITY ADVISOR INTENDS THAT THIS BRIEF, INFORMAL FAMILIARIZATION TRIP WILL BE FOLLOWED AT A FUTURE DATE BY A LONGER VISIT WHICH WILL ALLOW MEETINGS WITH REGIONAL HEADS OF STATE AND ADDITIONAL HOST GOVERNMENT OFFICIALS. AMBASSADORS SHOULD STRESS THAT THIS SECOND VISIT WILL PROBABLY OCCUR AFTER INSTALLATION/INAUGURATION OF NEWLY ELECTED PRESIDENTS IN COSTA RICA, HONDURAS, AND GUATEMALA.

4. WASHINGTON PARTY WILL ARRIVE VIA SAM C-20 AND CONSIST OF:
VADM JOHN POINDEXTER, DESIG. NATIONAL SECURITY ADVISOR TO PRES
ASST SEC OF STATE ELLIOTT ABRAMS

DEP ASST SEC OF STATE WILLIAM WALKER

MR. [REDACTED]

LTCOL OLIVER NORTH, NSC STAFF

G. PHILIP HUGHES, NSC STAFF

CDR PAUL THOMPSON, MIL ASST TO NATIONAL SECURITY ADVISOR

2 WNCA COMMUNICATORS

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5. NATIONAL SECURITY ADVISOR WOULD LIKE TO BRIEFLY VISIT HOST NATION AND U.S. MILITARY UNITS IN THE REGION AND INFORMALLY MEET WITH CERTAIN KEY OFFICIALS INVOLVED IN AIDING THE IMPLEMENTATION OF U.S. POLICY IN THE REGION AS INDICATED BELOW. WASHINGTON PARTY WILL BE INFORMALLY ATTIRED SINCE MOST STOPS WILL OCCUR AT MILITARY INSTALLATIONS. ITINERARY IS PLANNED AS FOLLOWS:

WEDNESDAY, DECEMBER 11, 1985

1830 DEPART ANDREWS AFB
2300 ARRIVE HOWARD AFB PANAMA
(RON QTRS 1 U.S. CINCSO, GEN GALVIN)

THURSDAY, DECEMBER 12, 1985

0730 BREAKFAST AT QTRS 1
0800 DEPART FOR VIP LOUNGE, HOWARD AFB
0830-0900 WD LIKE TO MEET PRIVATELY IN VIP LOUNGE AT HOWARD AFB
[REDACTED] AMB BRIGGS, GEN GALVIN, ASST SEC ABRAMS
IF AT ALL POSSIBLE.
0900 WHEELS UP FOR SAN JOSE, COSTA RICA
(SAVE ONE HOUR ENROUTE - CHANGE OF TIME ZONE)
0900-1030 WD PREFER MTG AT CARIARI HOTEL OR AIRPORT W/AMB TAMBS,
[REDACTED] GEN GALVIN, AND REMAINDER OF U.S. TEAM FOLLOWED BY
[REDACTED]

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THURSDAY, DECEMBER 12, 1985 (CONT'D...)

1030 WHEELS UP FOR ILOPONGO AB EL SALVAADOR

1140-1300 MTG AT ILOPONGO W/AMB ED CORR, GEN GALVIN, COL STEELE,
AND MILGP CHIEF, AND [REDACTED] WD LIKE TO MEET BRIEFLY W/DEF
MIN VIDES AND GEN BLANDON AND BRIEFLY INSPECT AIR
FORCE/COUNTER-INSURGENCY ASSETS. BRIEF RE CURRENT
OPERATIONS AND DISCUSSION OF COUNTER-TERRORISM PROGRAM
WD BE HELPFUL.

1300 WHEELS UP FOR PALMEROLA AB HONDURAS

1330-1530 MTG AT PALMEROLA W/AMB JOHN FERCH, [REDACTED] GEN GALVIN AT
CTF BRAVO. WD ALSO LIKE TO HAVE OPPORTUNITY FOR
PRIVATE REPEAT PRIVATE MTG [REDACTED]

1530 WHEELS UP FOR LA AURORA AB GUATEMALA CITY
(GAIN ONE HOUR - CHANGE OF TIME ZONE)

1715-1820 MTG AT LA AURORA AB GUATEMALA CITY W/AMB PIEDRA,
GEN GALVIN [REDACTED] POLCONS, AND REMAINDER OF U.S. TEAM;
WD LIKE TO MEET BRIEFLY [REDACTED]

[REDACTED] DISCUSSION OF
COUNTER-TERRORISM PROGRAM WD ALSO BE HELPFUL.

1830 WHEELS UP FOR ANDREWS AFB

2400 ARRIVE ANDREWS AFB

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6. WASHINGTON PARTY REQUESTS ASSISTANCE RE VISAS AND CUSTOMS
CLEARANCE IN THAT TIME HAS NOT PERMITTED NORMAL VISA PROCESSING.
REGARDS, POINDEXTER.

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by N. Menan, National Security Council

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1 SELECT COMMITTEE ON
2 SECRET MILITARY ASSISTANCE TO IRAN
3 AND THE NICARAGUAN OPPOSITION

4 - - -
5 WEDNESDAY, JUNE 10, 1987
6 - - -

7 United States Senate
8 Washington, D.C.

9 Deposition of:

10 JACK TADASHI TASHIRO

11 was taken, pursuant to notice, commencing at 2:00 o'clock, p.m.,
12 before Albert J. Gasdor, Notary Public in and for the District of
13 Columbia, in Room 901 Hart Senate Office Building, Washington, D.C.
14

15 APPEARANCE:

16 On behalf of the Select Committee:

17 JOHN A. SAXON, ESQ.

18 Associate Counsel
19
20 - - -

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22 under provisions of E.O. 12356
23 by N. Menan, National Security Council
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I N D E X

Wednesday, June 10, 1987

Washington, D.C.

DEPONENT

DIRECT

JACK TADASHI TASHIRO

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E X H I B I T S

TASHIRO

FOR IDENTIFICATION

No. 1	9
No. 2	10
No. 3	10
No. 4	11
No. 5 & 5-A	18
Nos. 6 & 7	23
No. 8	23
No. 9	31
No. 10	32
No. 11	32
No. 12	33
No. 13	34
No. 14	35
No. 15	40
No. 16	41
No. 17	42
No. 18	42
No. 19	43
No. 20	43
No. 21	45
No. 22	45

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P-R-O-C-E-E-D-I-N-G-S

Whereupon,

JACK TADASHI TASHIRO

was called as a witness and, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. SAXON:

Q. Please state your name for the record.

A. Jack Tadashi Tashiro.

Q. Mr. Tashiro, what is the nature of your employment?

A. I am one of the two owners and partners of VATEC.

Q. With whom are you in partnership at VATEC?

A. With Francis Schroeder.

Q. Spell Schroeder, please.

A. S-c-h-r-o-e-d-e-r.

Q. VATEC is V-A-T-E-C?

A. That is correct.

Q. What is the address of VATEC?

A. 122 Lafayette Avenue in Laurel, Maryland.

Q. Your phone number, sir?

A. 953-0057.

Q. How long have you been an owner and partner of VATEC?

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1 A. Since 1983, January or February of 1983.

2 Q. Is that when the firm was created?

3 A. No, the firm was created in January, 1982, but
4 nothing happened until February of 1983.

5 Q. What is the nature of the business in which
6 VATEC is involved?

7 A. VATEC is a security organization. We install
8 burglar alarms, smoke detectors in residences. We also
9 do card access systems, and perimeter protection for
10 the government and for commercial buildings.

11 Q. Who are some of your government clients, which
12 agencies?

13 A. Voice of America, Naval Research Lab, a couple
14 of small jobs for the State Department. That is about
15 it.

16 Q. Mr. Tashiro, did there come a time in early
17 1986 when VATEC had occasion to do some work at an
18 address in Great Falls, Virginia of 703 Kent Kentland
19 Drive?

20 A. Yes.

21 Q. I believe that is the home of Lieutenant
22 Colonel Oliver North; is that correct, sir?

23 A. That is correct.

24 Q. Did you know at the time that that was the
25 home of an Oliver North?

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1 A. When we first started no, we did not until one
2 of the installers went to the address to survey that
3 place. Until then, we did not know it was for Lt. Col.
4 North.

5 Q. But you did know it was for Colonel North at
6 some point?

7 A. Yes, we did.

8 Q. And at no time was there any attempt to
9 conceal that from you?

10 A. No, there was not.

11 Q. What was the date of the first discussion with
12 anyone at VATEC about doing some work at that address?

13 A. That I don't have any specific dates because
14 Glenn Robinette is the one who called us, and we had
15 known him for so long and he had called us about so many
16 jobs before that, we really didn't make a note of it.

17 Q. If you would, sir, tell us your relationship
18 with Mr. Robinette, which might predate this particular
19 job.

20 A. Glenn Robinette and I

21 [REDACTED]
22 were acquainted.

23 Q. You said he had occasion to use VATEC in the
24 past?

25 A. Yes.

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1 Q. Prior to this job?

2 A. Yes.

3 Q. Within a rough timeframe, when did anything
4 start happening in terms of the actual work?

5 A. For Mr. North?

6 Q. For Mr. North, yes.

7 A. March or April of 1986.

8 Q. Is that the date installation was begun or was
9 this preceded by some estimates and measurements, et
10 cetera?

11 A. It was preceded by an installer going out to
12 the residence, looking it over and VATEC preparing an
13 estimate in a proposal for Glenn Robinette.

14 Q. Tell us if you would what your understanding
15 was about what you were supposed to do at the residence.
16 How was it put to you that you should go there and do
17 something?

18 A. We were told that there was an individual who
19 worked for the government who was on the hit list of the
20 terrorists and that they were getting threatening phone
21 calls, and they were getting threats in the mailbox;
22 that the individual's wife was distraught and the
23 children were upset so, therefore, could we come up and
24 very quickly come up with an estimate so that they could
25 either find out who was putting the notes in the mailbox

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1 and also putting a burgular alarm and lighting system in
2 the house so that the wife would feel much more secure.

3 Q. Who told you this, Mr. Robinette?

4 A. Mr. Robinette, yes

5 Q. Did he tell that to you personally or to your
6 partner or to someone else?

7 A. To me and to one of our engineers, Mr. Jim
8 Moore.

9 Q. Jim M-o-o-r-e?

10 A. That is right.

11 Q. So what happened then? Someone went out to
12 the residence to look at it?

13 A. One of our installers, William Keller went out
14 there, surveyed the place, came back and Jim Moore wrote
15 a proposal.

16 Q. What did Mr. Moore propose be done? What kind
17 of system or systems were recommended?

18 A. A burgular alarm system in the house, a
19 lighting system around the residence. Then a TV camera
20 aimed at the mailbox with some flood lights, if they
21 were trying to find out who was putting these notes in
22 the mailbox, and later a request to put an alarm in his
23 vehicle.

24 Q. This proposal was worked up you say by Mr.
25 Moore?

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1 A. Yes.

2 Q. And it was presented to Mr. Robinette?

3 A. Yes, orally.

4 Q. Was there a price-tag on what I will call the
5 total system?

6 A. Yes.

7 Q. What was that price-tag if you recall?

8 A. The reason I am hesitating, the price that was
9 accepted -- they changed their mind about putting a
10 camera out there and a gate system, so our price-tag
11 ended up at \$11,000-some such.

12 Q. Are you able at all to recall the earlier
13 price, \$15,000, \$20,000, somewhere in between?

14 A. It is in our work-up sheets that have the
15 prices broken down by the various systems. I can look
16 it up for you.

17 Q. Mr. Tashiro, I have in front of me some of the
18 worksheets and documents which you have provided us.

19 Let me ask that you mark as Tashiro Deposition
20 Exhibit 1 something that is handwritten and bears the
21 title of invoice, made out to Mr. Glenn Robinette, his
22 address, [REDACTED] re: Kentland Drive
23 property. So this would be the invoice you actually
24 provided to Mr. Robinette for the North residence; is
25 that correct, sir?

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[Tashiro Exhibit No. 1 marked
for identification.]

A. No, this is our draft copy and then there
should be an official invoice.

Q. But it reflects the same data?

A. Identical.

Q. This working invoice or draft invoice shows
that you provided an alarm system and car alarm which
with materials and labor came to \$7,567; is that correct
sir?

A. That is correct.

Q. You also provided electrical work which with
materials and labor came to \$4,136; is that correct?

A. That is correct.

Q. So the total for the entire project of what
you actually provided at the North residence was
\$11,703?

A. That is correct.

Q. You were paid this full amount ultimately?

A. Ultimately, yes.

Q. We will get into that in a moment.

You indicated that you also worked up
estimates on some additional work. I have in front of
me then the pricing sheets they are called that VATEC
worked up on the Kentland Drive residence.

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1 The first one I asked be marked deposition
2 Exhibit 2 is the pricing sheet for it says type of work
3 residential protection, and this reflects the figure of
4 \$7,567. This was one of the worksheets for the work
5 actually provided; is that correct?

6 [Tashiro Exhibit No. 2 marked
7 for identification.]

8 A. That is correct.

9 Q. I would ask that deposition Exhibit 3 be
10 marked and that is a worksheet that reflects under type
11 of work CCTV for the residence, and this is
12 closed-circuit television?

13 [Tashiro Exhibit No. 3 marked
14 for identification.]

15 A. Correct.

16 Q. This was to be provided to focus on the North
17 mailbox because I believe you told us they had been
18 receiving some threatening mail; is that correct, sir?

19 A. That is correct.

20 Q. This is something Mr. Robinette asked you to
21 price for them?

22 A. That is correct.

23 Q. And the worksheet price shows the total job
24 for the closed-circuit TV would be \$3,682; is that
25 correct?

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1 A. That is correct.

2 Q. This you did not provide ultimately; is that
3 right?

4 A. That is correct.

5 Q. I would ask you to look then at your final
6 pricing sheet which I would ask be marked deposition
7 Exhibit 4 which under type of work has two items priced
8 out. One is the automatic gate opener which for the
9 total job would be \$9,753 is that correct?

10 [Tashiro Exhibit No. 4 marked
11 for identification.]

12 A. That is correct.

13 Q. And the second item is an intercom which the
14 total job would be \$1,180. Is that correct?

15 A. That is correct.

16 Q. I believe it is correct, is it not, that
17 neither of these was actually provided to the North
18 residence by VATEC?

19 A. That is correct.

20 Q. If we add all of these up in order to arrive
21 at the estimate figure for all of the work that you
22 worked up and priced out, if you add the \$11,703 for
23 what was actually done to the \$14,615 of the work not
24 done by VATEC, we get a figure of \$26,318?

25 A. That is correct.

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1 Q. Let me go back to how it came that you did
2 some of this work and not some of the other.

3 When the pricing was done and the estimate was
4 worked up, was that communicated to Mr. Robinette?

5 A. That is right.

6 Q. Was it communicated orally or in writing?

7 A. Orally.

8 Q. Was he ever shown these worksheets?

9 A. He was not.

10 Q. What happened when you told him here is the
11 total package and here is the price-tag?

12 A. He said please start on the alarm and the
13 lights because that would seem to be the highest
14 priority requirement. Then, as we were doing that, and
15 we got the electricians to pull the electrical cable and
16 the conduit from the house to the front gate, they
17 decided against the camera, and our discussions revolved
18 around the possibility that if the items were being put
19 in the mailbox in the evening or at night, then we would
20 need to have a light go on so the camera could get a
21 picture of the vehicle or license plate; and if a person
22 was putting an item in the mailbox and all of a sudden
23 the lights came on, obviously, he would look for the
24 camera and either throw rocks or do something to destroy
25 the camera. Therefore, I believe that was the reason

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1 they decided not to go with the camera.

2 Q. How was it communicated to you that you should
3 hold off on certain of these items or that they did not
4 want them installed?

5 A. By telephone. He said to hold off on the
6 others.

7 Q. He is Mr. Robinette?

8 A. Mr. Robinette. I have never talked to Mr.
9 North. None of us from VATEC has ever talked to Mr.
10 North.

11 Q. Exactly when was the installation started, do
12 you recall?

13 A. I believe in April of 1986.

14 Q. Do you know exactly when it was finally
15 completed?

16 A. In May of 1986, I believe.

17 Q. If you would then summarize briefly exactly
18 what systems and features were installed.

19 A. Since the home was already completed and so
20 that we would not drill holes in the walls or the wall
21 paper, we decided to go with a burgular alarm system
22 which was by RF rather than by hardware.

23 Q. RF is what?

24 A. Radio frequency transmitters. Therefore, we
25 put in an Alert 2 which is our basic wireless burgular

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1 alarm system.

2 Then we also put up lights around the house to
3 come on and then we put in smoke detectors and all of
4 this is to be tied to a central station so that should a
5 forced entry be made or should a fire occur while they
6 are away from there, then the central station will get
7 the alarm and call the police or fire station depending
8 on what the problem was.

9 Q. The Norths or whoever was in residence?

10 A. If they were gone and if a burglar attempted
11 to come in, then the alarm signal would be sent to our
12 central monitoring station which is manned 24 hours a
13 day.

14 Q. So a central station external to the
15 residence?

16 A. Right.

17 Q. Did Mr. Robinette suggest any of these
18 particular items to be installed, or was that something
19 he left to you people?

20 A. That was left entirely up to us.

21 Q. Let^{me} go back and ask you precisely about your
22 dealings with Mr. Robinette.

23 You indicated that you had dealt with him on a
24 number of previous jobs so it is difficult to date
25 precisely when you got the first call about this job; is

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1 that correct?

2 A. Yes, but it was not too much before the start
3 of the work because they said it was so urgent.

4 Q. So it would have been late March, early April?

5 A. Yes.

6 Q. And did you ever talk to Mr. Robinette
7 yourself about this job?

8 A. Yes, I have.

9 Q. Do you have any idea how many times you spoke
10 with him about the North residence job?

11 A. Personally, maybe ten times.

12 Q. When did you first find out that it was the
13 residence of Oliver North? Was that when the installer
14 went out there and said this is the home of a Mr. Oliver
15 North?

16 A. Yes.

17 Q. When Mr. Robinette asked you to do this, did
18 he give you the name of Oliver North?

19 A. No, he did not.

20 Q. But he did say it was an employee of the
21 government?

22 A. Yes.

23 Q. Did he say where in the government--the White
24 House, the National Security Council?

25 A. That, I really don't remember.

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1 Q. And he linked the need for this equipment to
2 security concerns for the resident, Mr. North?

3 A. Yes, that he was also on the hit list of the
4 terrorists and, at that time, terrorism was such a key
5 issue with the U.S. It seemed very logical that he may
6 have been on the hit list.

7 Q. Did he mention the name of Abu Nidal?

8 A. No.

9 Q. Did he mention that this person was on the
10 National Security Council staff?

11 A. I don't recall hearing that.

12 Q. At that point or at any other time, did he
13 ever mention the name of General Richard Secord?

14 A. No, he did not.

15 Q. Did he tell you why he, Robinette, was
16 handling this for the person whom you later found out
17 was Colonel North?

18 A. Glenn's business has always been as a
19 middleman and he has handled situations like this
20 before, so I was really not that surprised. He is a
21 one-man businessman and he makes his living being a
22 middleman, in between man, so this is pretty much his
23 pattern.

24 MR. SAXON: Let's go off the record a second.

25 [Discussion off the record.]

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1 BY MR. SAXON:

2 Q. Mr. Tashiro, we concluded from the invoice you
3 provided that the total amount of this bill was \$11,703
4 for the work done. Were you fully paid for that work?

5 A. Yes, we were.

6 Q. Did Mr. Robinette pay you?

7 A. Yes, he did.

8 Q. Did he tell you why he would be handling the
9 payment for this work?

10 A. No, he did not.

11 Q. I believe you said he did not specify certain
12 items to go into this job?

13 A. I know he did not.

14 Q. You knew his background [REDACTED]
15 from having dealt with him in your capacity at VATEC?

16 A. Yes.

17 Q. Was there any haggling over the price or did
18 he simply say this portion of the estimate I want, this
19 part I don't, and then he willingly paid the price for
20 the work he took?

21 A. No, we had no haggling on the alarm system.
22 That is the part we did. There was no problem with
23 that.

24 Then when we got to the camera, I believe I
25 explained that they thought that that would not be an

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1 effective way to do it.

2 Third, on the gate opener, unbeknownst to us,
3 we had all pulled a wire and everything to the gate and
4 then he had contracted with somebody else, and I really
5 didn't know he had done that. He did not tell us they
6 got somebody else until they had a problem. They they
7 asked us to correct the problem. We suddenly found that
8 he had used our cabling to hook up the gate opener and
9 that company had really done a sloppy job, and rain had
10 seeped into the control box underground and that is why
11 they had all those problems.

12 Q. What was the date for that?

13 A. I have an invoice in there billing them for
14 the labor. We guarantee everything for a year but since
15 it was not something we had done, we billed them for
16 repairing that problem with the gate opener.

17 [Tashiro Exhibit No. 5 & 5-A marked
18 for identification.]

19 Q. I want to show you what I have asked to be
20 marked as deposition Exhibit 5 which is your invoice
21 number 425 dated September 2, 1986. It indicates under
22 description that this was a service call on 8-27-86 to
23 repair a GFI circuit for gate operator not part of VATEC
24 warranty and it is shipped to the Oliver North
25 residence, Kentland Drive, Great Falls, Virginia. Is

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1 this the repair to which you just made reference?

2 A. Yes.

3 Q. And the amount for this repair was \$140; is
4 that correct?

5 A. That is correct.

6 Q. You billed that amount because it was not
7 covered by the warranty?

8 A. That is correct.

9 Q. It says sold to Glenn Robinette. Does that
10 mean you billed Mr. Robinette?

11 A. That means we billed Mr. Robinette and we were
12 paid by Mr. Robinette.

13 Q. We will come back to the payment issue further
14 a little later.

15 When Mr. Robinette asked you to do this work
16 for this particular residence of a government official
17 whom you later learned was Colonel North, did he
18 indicate at any time that he expected to be reimbursed
19 by anyone when he paid you for this work?

20 A. He didn't indicate that but I assumed he was
21 handling this for his party, obviously for some kind of
22 commission.

23 Q. That would have been the pattern he used as a
24 middleman in previous dealings?

25 A. That is correct.

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1 Q. But you did not know who that party might have
2 been, did you?

3 A. Not at that time.

4 Q. Do you know now know who that party was?

5 A. Yes, Colonel North.

6 Q. Do you know for a fact who reimbursed Mr.
7 Robinette?

8 A. No, I have no idea who paid him or how much he
9 was paid for the amount that we got paid.

10 Q. Did he explain his relationship to Colonel
11 North at any time?

12 A. Not in detail. The impression we got was that
13 this individual who he was helping was on the road an
14 awful lot and his wife was very distraught so he was the
15 middleman arranging for the security for their home, and
16 that since he was a middleman, he would do the billing
17 to him and he would handle the entire financial
18 transaction as far as VATEC is concerned.

19 Q. Did Mr. Robinette ever indicate that he had
20 done any other jobs for or anything else for Colonel
21 North?

22 A. Not that I know of.

23 Q. Did he ever indicate that he had done any work
24 for Richard Secord?

25 A. No.

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1 Q. Did he ever indicate that he had done any work
2 for Mr. Thomas G. Clines?

3 A. Not necessarily work for but they had worked
4 together on many, many business ventures. So I am not
5 really sure what I can answer. I do know that they did
6 a lot of work together.

7 Q. You know Mr. Clines yourself?

8 A. Yes.

9 Q. From your days at the agency?

10 A. Yes, I do.

11 Q. Have you ever done any work for Mr. Clines
12 since you have been at VATEC?

13 A. No, I have not.

14 Q. Have you ever done any work for Mr. Robinette
15 for Albert Hakim?

16 A. No, I have not, or not to the best of my
17 knowledge.

18 Q. Have you ever done any work directly with
19 VATEC for Mr. Hakim?

20 A. No, I have not.

21 Q. Let me ask you some questions about how you
22 were paid.

23 Deposition Exhibit 1 which is the draft
24 invoice reflects the total price of \$11,703 and shows
25 down payment received of \$6,000. Is that correct, sir?

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1 A. That is correct.

2 Q. Do I take that to mean that Mr. Robinette paid
3 you at some point before completion of the work \$6,000?

4 A. He paid us the down payment before we started.

5 Q. How did he make that payment to you? Was that
6 in cash or check?

7 A. I got two payments, one for \$5,700 and one for
8 \$6,000 and one was a check and one was cash.

9 Q. The \$6,000 was the check?

10 A. I believe so, but I am not positive, but it is
11 in our records.

12 Q. Mr. Tashiro, we were just talking about the
13 down payment of \$6,000. You indicated that one of the
14 amounts, the down payment, the other amount being the
15 final payment, one was in cash and one was by check. Do
16 you recall which you think was which?

17 A. To the best of my memory, I think the \$6,000
18 was a check and the remainder of \$5,703 was by cash.

19 Q. Let me show you and have marked as the next
20 deposition Exhibit 6 a deposit slip for VATEC -- I
21 believe that is what we are looking at -- dated May 20,
22 1986 which shows a deposit of \$6,000 with the
23 handwritten name of Robinette beside it. Would that
24 reflect the payment by Mr. Robinette for the down
25 payment?

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1 A. Yes, it would.

2 [Tashiro Exhibit No. 6 & 7 marked
3 for identification.]

4 Q. Likewise in Exhibit 7, it shows from Citizens
5 National Bank of Laurel, Maryland that on May 20, 1986 a
6 deposit was actually made and this is the receipt for
7 that deposit of \$6,000. That would appear to correspond
8 with the deposit slip made out by VATEC; is that
9 correct, sir?

10 A. That is correct.

11 Q. Your best recollection is that Mr. Robinette
12 paid you the down payment by check. You wouldn't recall
13 on whom the check was drawn, would you, what bank or
14 what individual?

15 A. No, I do not.

16 Q. When ~~from~~ the work was completed, did you then
17 send Mr. Robinette a final bill?

18 A. Yes, I did. Yes, I sent him an invoice.

19 [Tashiro Exhibit No. 8 marked.
20 for identification.]

21 Q. Mr. Tashiro, look if you would at deposition
22 Exhibit 8 which is an invoice from VATEC to Mr. Glenn
23 Robinette. The date, I believe, is 6-20-86; is that
24 correct?

25 A. That is correct.

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1 Q. Under "shipped to" it says Kentland Drive
2 properties so this is the residence of Colonel North?

3 A. Yes, that is right.

4 Q. It reflects the alarm system and the
5 electrical work, the total price of \$11,703; is that
6 correct?

7 A. That is correct.

8 Q. Less down payment. Our copy is a bit faint
9 but that says \$6,000; is that correct?

10 A. That is correct.

11 Q. Total due \$5,703?

12 A. That is correct.

13 Q. So this is the final bill that you submitted
14 to Mr. Robinette?

15 A. For the work that we did, yes.

16 Q. Up above it on the same copy it is stamped
17 payment received 7-10-86 and some initials. So that
18 means that this was finally paid?

19 A. Yes.

20 Q. Tell us about that final payment.

21 A. The final payment was received by me at the
22 Sakura restaurant. We were having lunch together and he
23 said, "I have the money for you to pay the rest of the
24 invoice."

25 Q. This is in Silver Spring, Maryland?

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1 A. Yes.

2 Q. You sent the bill to Mr. Robinette. What
3 happened? Did he give you a phone call?

4 A. Yes, saying that he's got the money. He's
5 ready. He said or I said, "Let's have lunch," so we
6 decided to have some lunch.

7 Q. He gave you the payment at that time. In what
8 form did he give you the payment?

9 A. That was in cash.

10 Q. Did he give you an envelope?

11 A. Yes, he did.

12 Q. Was it sealed?

13 A. Yes, to the best of my knowledge.

14 Q. Did you count the money?

15 A. No, I did not.

16 Q. You trusted him?

17 A. Yes, I did.

18 A. Did you count it when you got back to the
19 office?

20 A. Yes. I gave it to the secretary so she could
21 make a deposit.

22 Q. And, in fact, it was \$5,703?

23 A. That is correct.

24 Q. Would you recall the date when that took
25 place?

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1 A. That was July 10, I believe.

2 Q. Why would you say that, because that is the
3 date you wrote payment received on the invoice?

4 A. That is right.

5 Q. Was there anything at all unusual about being
6 paid in that manner?

7 A. No, not too surprising, knowing Glenn
8 Robinette.

9 Q. Did most of your other clients pay in cash?

10 A. No, they do not.

11 Q. Had you ever had occasion in dealing with Mr.
12 Robinette to have him pay in cash?

13 A. No, I have not.

14 Q. Did he make any comments at that time about
15 why he was paying in cash?

16 A. No, he did not.

17 Q. Is there anything else you recall from that
18 luncheon discussion which we should know?

19 A. Nothing particular about Mr. North's residence
20 that I can recall.

21 Q. I believe I have asked you this before with
22 regard to the whole job but in terms of the cash payment
23 at the restaurant for the balance due, did Mr. Robinette
24 ever make any statement indicating he would seek
25 repayment or be reimbursed by anyone?

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1 A. No, he did not, but I just assumed that he
2 would be paid by the owner.

3 Q. Do you have any knowledge of whether he was
4 ever paid by anyone?

5 A. For this particular job, I do not.

6 Q. I take it then you would have no knowledge as
7 to whether he would have been paid by Colonel North
8 himself?

9 A. No, I do not know.

10 Q. Let me ask you a few questions about the house
11 itself. I believe you told us earlier that no one from
12 VATEC ever had any dealings with Colonel North himself;
13 is that correct?

14 A. To the best of my knowledge, no.

15 Q. Did anyone have any dealings with Mrs. North?

16 A. Yes.

17 Q. How many times would you say that took place?

18 A. Each time they went to work on the place, we
19 had to make sure somebody was there to let us in and
20 usually it was Mrs. North, and I believe one or two
21 times it was a sister or a daughter. I am not really
22 sure, since I have never been there.

23 Q. Would you have a guess or an estimate of how
24 many times someone from VATEC went to the North
25 residence?

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1 A. Close to ten times, I would believe.

2 Q. Are you able to recall anything that any of
3 your employees may have told you about what Mrs. North
4 said to them?

5 A. Yes. I believe the feeling was that she was
6 totally disorganized. That was not a very well kept
7 house. In fact, the men hated to work in the basement
8 because there were dog droppings and everything in the
9 basement and it was terrible. She was distraught, upset
10 and very glad that we were putting in the alarm system
11 to give her some peace of mind.

12 Q. Was there anything unusual about the residence
13 in terms of electronic communications devices, safes,
14 classified documents, anything that would say this was
15 the home of someone who worked at the National Security
16 Council?

17 A. Since I have never been there, I have no
18 first-hand knowledge but the installers did not report
19 anything about safes, special communications equipment
20 or classified material.

21 Q. For the record, sir, is it your sense that the
22 work done by VATEC was quality work?

23 A. Yes, I do.

24 Q. And that the price that you charged for that
25 work was a fair price?

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1 A. Yes, it is.

2 Q. Was there ever any discussion with Mr.
3 Robinette that this house might be used as a showcase to
4 be shown by him to prospective clients of his?

5 A. No, it was not.

6 Q. Was there ever any discussion that Mrs. North
7 or anyone else at the residence had with employees of
8 VATEC that this house would be used as a showcase?

9 A. Not to the best of my knowledge.

10 Q. Did VATEC or any of its employees ever suggest
11 to anyone that this house could be used as a showcase to
12 indicate how work could be done?13 A. No, not to the best of my knowledge. I
14 certainly wouldn't after listening to how the house was
15 kept and the kind of work we did there. We did not
16 finish the job, to start with, and if we had done the
17 whole job on the outside--no, we wouldn't because there
18 was no fence there. It was a wooden fence. To protect
19 that property the way it was was kind of ludicrous. To
20 conceal a camera in the trees or some such to catch
21 somebody putting something in there is not the way to go
22 about it. If I were going to do it, I would do it a
23 totally different way so we would not use that as a
24 showcase.

25 Q. If I understand your testimony, by no means

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1 would you consider this as a model security system to
2 show someone?

3 A. No, I would not.

4 Q. Sir, I believe from the records you have
5 provided us it indicates on a periodic basis some
6 service was provided to the equipment that was
7 installed; is that correct, sir?

8 A. I believe it was just that once, and then the
9 rest of the invoices are for the semi-annual charges for
10 the central station monitoring services.

11 Q. Let me ask you about the servicing of this
12 system, Mr. Tashiro. You have already testified that on
13 one occasion there was a service call that was needed to
14 be made to repair the circuit for the gate operation; is
15 that correct, sir?

16 A. That is correct.

17 Q. That was for \$140, and I believe when we
18 looked at Exhibit 5, we found that while you put shipped
19 to Oliver North residence, Kentland Drive, that it said
20 sold to Mr. Glenn Robinette; is that correct, sir?

21 A. Yes, that is correct. The ¹¹shipped to
22 indicates where the work took place, not that the
23 invoice was shipped there.

24 Q. Is it your recollection that this amount of
25 \$140 was paid for by Mr. Robinette?

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1 A. I believe so.

2 Q. If you look at Exhibit 6, you see a deposit
3 slip by VATEC dated September 24, 1986. The total
4 amount is \$493, and to the margin you have written what
5 each of these amounts were for three separate entries
6 and then there is one for Robinette \$140?

7 A. That is correct.

8 Q. To the best of your recollection, would that
9 refresh Mr. Robinette's payment for the service call on
10 August 27th?

11 A. That is correct.

12 Q. Thank you.

13 I believe you just stated that twice a year
14 there was a billing that went to Mr. Robinette, at least
15 initially for the 24-hour hook up into the central
16 monitoring station; is that correct.

17 A. That is correct.

18 Q. What was the monthly charge for that?

19 A. The central charge for the central station
20 monitoring service is \$15 per month.

21 Q. And is billed semi-annually for a total of
22 \$90; is that correct?

23 A. Yes, that is correct.

24 [Tashiro Exhibit No. 9 marked
25 identification.]

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1 Q. Let me show you some exhibits which you have
2 provided us. Exhibit No. 9 is an invoice under the date
3 of May 27, 1986 and the sold to is Glenn Robinette; is
4 that correct, sir?

5 A. That is correct.

6 Q. It states the 24 hour central station
7 monitoring and it gives the period and it lists \$15
8 under price and then per month and the total amount of
9 \$90; is that correct, sir?

10 A. That is correct.

11 [Tashiro Exhibit No. 10 marked
12 for identification.]

13 Q. I believe if you will look at deposition
14 Exhibit 10, it is an identical copy of that invoice to
15 Mr. Robinette and someone has written the date 6-3-86.
16 Can you tell us what that means?

17 A. That should be the date that we received a
18 check from Mr. Robinette.

19 Q. That would indicate then payment by Mr.
20 Robinette for that six-month service charge on this
21 system?

22 A. That is correct.

23 [Tashiro Exhibit No. 11 marked
24 for identification.]

25 Q. If you would look at Exhibit 11, which is

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1 substantially similar if not identical to the previous
2 exhibits and it bears the date of December 17, 1986 for
3 the North residence at Great Falls, and it is billed to
4 Mr. Robinette; is that correct, sir?

5 A. That is correct.

6 Q. This is for the semi-annual charge for roughly
7 the last half of 1986 in the amount of \$90 per six-month
8 period; is that correct?

9 A. That is correct.

10 [Tashiro Exhibit No. 12 marked
11 for identification.]

12 Q. Exhibit No. 12 is an identical copy of Exhibit
13 11, that same invoice, but someone has drawn an X over
14 the name of Robinette and written in someone's
15 handwriting, "Send to Oliver North." What can you tell
16 us about that notation?

17 A. The invoice was sent to Glenn Robinette and
18 normally he pays short of the net 30 and when we didn't
19 get paid, the secretary routinely calls the people who
20 don't pay to see what happened. In January, we were
21 told that we should bill Mr. North directly rather than
22 to bill Mr. Robinette.

23 Q. You were told that by whom?

24 A. By Glenn Robinette.

25 Q. Did he say why?

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1 A. No, he did not. He said he was not handling
2 the case anymore.

3 Q. That was in December of 1986 or January of
4 1987?

5 A. I believe that would be January, 1987.

6 Q. He did not give any reason why that change in
7 payment was necessitated?

8 A. By then the Oliver North case was in the press
9 and we assumed that he tried to distance himself from
10 his relationship with Mr. North as far as security or
11 funding was concerned.

12 [Tashiro Exhibit No. 13 marked
13 for identification.]

14 Q. Let me show you Exhibit 13 which likewise is a
15 bill for the second half of 1986, the semi-annual charge
16 for the hookup to the central monitoring station and it
17 says, "Ship to same" and the "sold to" bears the name of
18 Mr. Oliver North with the Kentland Drive address; is
19 that correct?

20 A. That is correct.

21 Q. This is dated January 7, 1987 and that would
22 evidence if I understand your testimony correctly, in
23 essence you sent the same invoice to Colonel North this
24 time rather than Robinette?

25 A. That is correct.

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[Tashiro Exhibit No. 14 marked
for identification.]

Q. Exhibit 14 is an identical copy of Exhibit 13,
that being the invoice to Colonel North dated January 7,
1987 except it has a handwritten notation that says "Pd"
which I would assume means paid 2-25-87; is that
correct, sir?

A. That is correct.

Q. That would evidence that payment had been
received from Colonel North; is that correct?

A. That is correct.

Q. To the best of your knowledge, sir, have there
been other occasions other than the one time when there
was a foul-up in the electrical system because of the
improper installation, I guess, from Automatic Door
Specialist and then the semi-annual billing, were there
any other instances in which the system at the North
residence was serviced?

A. Not to the best of my knowledge.

Q. You told us that the first time you spoke with
Mr. Robinette about this job he did not give or use the
name of Colonel Oliver North and that when your
installer, Mr. William Keller, went out to the residence
for the first time, he discovered it was the residence
of someone named North?

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1 A. That is correct.

2 Q. You also told us that you talked to Mr.
3 Robinette about ten times; is that correct?

4 A. About the North case, yes.

5 Q. During those conversation, did you ever
6 mention the name of Colonel North or did he ever mention
7 the name of Colonel North?

8 A. He may have, but I certainly don't recall any
9 specifics.

10 Q. How was this property or job referenced?

11 A. As the North residence, Great Falls.

12 Q. But when Mr. Robinette would call you up and
13 say, "How are we doing on that? How is the schedule
14 coming?" et cetera, what manner did he use to describe
15 the job?

16 A. That was the only job we were doing for Mr.
17 Robinette at the time so it would be the North residence
18 and I believe he would use the term Great Falls.

19 Q. But he would not say North residence but the
20 Great Falls job?

21 A. The Great Falls job.

22 Q. When Mr. Robinette would call VATEC, I believe
23 you told us from time to time he would talk to Mr.
24 Moore. What would that be about?

25 A. Mr. Moore would be the technical man. He

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1 would be talking about the specific proposal, what are
2 you going to put in, what will it encompass particularly
3 since we didn't give him a written proposal, he would
4 have to get the information from Jim Moore on what we
5 were going to install.

6 Q. Were there occasions when Mr. Robinette would
7 talk to Mr. Keller?

8 A. Yes, there would be.

9 Q. What would be the nature of those discussions?

10 A. With Mr. Keller, particularly about the
11 trouble they had with the gate opener when Keller had to
12 go out to repair to the problem, he would check with
13 Keller to see what was done and whether it was working
14 properly.

15 Q. When he talked with you, I believe you told me
16 those discussions would be about price and about
17 scheduling is that correct?

18 A. That is correct.

19 Q. What was Mr. Robinette's concern in terms of
20 scheduling?

21 A. He thought because of the urgency of the
22 situation where the principal was on travel status much
23 of the time and his wife was so upset and concerned
24 because of the threats that he felt that we should give
25 it the highest priority to get the job done.

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1 Q. On the items which you costed out but which
2 Mr. Robinette did not take from you, did he ever
3 indicate that anyone had vetoed those items, Colonel
4 North or anyone else?

5 A. No, he didn't. I assumed that he had vetoed
6 them.

7 Q. Sir, did you ever have occasion to ask Mr.
8 Robinette who was going to reimburse him for this job?

9 A. No, I did not ask him.

10 Q. You never asked him is Colonel North going to
11 pay you back?

12 A. No, I just assumed that but I did not ask him.

13 Q. You never asked whether any other individual
14 would be paying him back?

15 A. I did not ask him, no.

16 Q. I think those are basically all of the
17 questions I have other than to ask you for the record
18 with whom you have spoken about this case.

19 I believe ^{you} were contacted by Judge Walsh's
20 office, Judge Walsh being the independent counsel; is
21 that correct, sir?

22 A. That is correct.

23 Q. Have you spoken with anyone in his office
24 about this matter?

25 A. Yes, I have.

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1 Q. You were interviewed by an attorney on his
2 staff?

3 A. Yes, I was.

4 Q. And you have provided the originals of all
5 your documents to that attorney?

6 A. That is right.

7 Q. Have you testified before a grand jury in this
8 matter?

9 A. No, I have not.

10 Q. Other than with the attorney in Judge Walsh's
11 office and with the Senate Committee this afternoon,
12 have you spoken with anyone else about this matter, with
13 a government investigating authority?

14 A. No, I have not.

15 Q. Have you spoken to any one in the press?

16 A. No, I have not.

17 Q. After the matters involving Colonel North
18 became public and the so-called Iran-contra affair
19 became public, did you ever have occasion to hear from
20 Colonel North?

21 A. No, I have not.

22 Q. Have you ever had occasion to hear from
23 Richard Secord?

24 A. No, I have not.

25 Q. Did you have any occasion to hear from Mr.

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1 Robinette other than to tell you to send the bills in
2 the future to Colonel North himself?

3 A. Yes, I have.

4 Q. You have heard from Mr. Robinette?

5 A. Yes, I have.

6 Q. What was the nature of any discussion with
7 him?

8 A. When I saw Mr. Robinette and told him that I
9 was going to be appearing before the Walsh Committee, he
10 said, "Jack, all you have to do is tell the truth and
11 there will be no problems." I said, "Fine." That is
12 what I was going to do anyway," so that is really what
13 happened.

14 Q. That is the only other time you have spoken to
15 Mr. Robinette about these matters?

16 A. Yes.

17 Q. Finally, Mr. Tashiro, I would like to walk you
18 through for identification purposes some of the exhibits
19 which we will make a part of this deposition which were
20 the documents you brought with you.

21 [Tashiro Exhibit No. 15 marked
22 for identification.]

23 Q. Deposition Exhibit 15 is a photocopy of, I
24 believe, nine different deposits slips from VATEC into
25 your bank. If you will note the deposit slip dated

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1 2-27-87, it shows a deposit for roughly \$3300 and it is
2 broken down into four different sub items, one of which
3 says "North \$90."

4 We have already identified in Exhibit 14 that
5 you sent an invoice to Colonel North for the \$90 charge
6 for the semi-annual hookup to the central monitoring
7 station, and that invoice shows that on 2-25-87 he made
8 payment in the amount of \$90. It would look like then
9 two days later that was deposited; is that correct?

10 A. That is correct.

11 Q. I would like to go back to Exhibit 5 which
12 which was the invoice to Mr. Robinette for the \$140 for
13 the service call to repair the circuit for the gate
14 opener, and we identified that as Exhibit 5. I would
15 like to show you Exhibit 5-A which is simply a photocopy
16 of that invoice and it has handwritten on it 9-23-86.
17 Can you tell us what that means?

18 A. That should be the date we received his check
19 for that amount.

20 Q. From Mr. Robinette in the amount of \$140?

21 A. That is correct.

22 [Tashiro Exhibit No. 16 marked
23 for identification.]

24 Q. I would like to show you now Exhibit No. 16
25 which bears the heading "Proposal, Hager Electric

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1 Service, Inc.," and it shows electrical work in great
2 detail with itemized amounts and has the final total sum
3 of \$3,187. What does this represent, sir?

4 A. That represents the electrical company digging
5 a trench from the house to the front gate, putting in
6 conduit and the electrical wiring to the front gate.

7 Q. Where was this work done?

8 A. At the North residence.

9 [Tashiro Exhibit No. 17 marked
10 for identification.]

11 Q. Then Exhibit 17 appears to be a
12 computer-generated statement from Hager Electric which
13 shows amount due of \$3,187. Is that correct, sir?

14 A. That is correct.

15 [Tashiro Exhibit No. 18 marked
16 for identification.]

17 Q. Exhibit 18 is an additional statement from
18 Hager Electric bearing that amount and stamped "Past
19 Due"; is that correct?

20 A. That is correct.

21 Q. You told us, I believe, there was a little bit
22 of a disagreement with them over this?

23 A. That is right.

24 Q. What can you tell us about that?

25 A. We weren't particularly pleased with the work.

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1 They were supposed to dig the trench a certain depth
2 because of frost problems and water problems and some of
3 the places they didn't. They explained they ran into
4 lots of rocks and stones out in that area and that is
5 probably true in Great Falls. Therefore, we had a
6 little disagreement but we agreed to pay the whole
7 thing.

8 [Tashiro Exhibit No. 19 marked
9 for identification.]

10 Q. I will show you Exhibit 19 which records a
11 particular check number and I believe this would show
12 that VATEC does pay its bills and, in fact, you paid
13 Hager Electric \$3,178; is that correct, sir?

14 A. That is correct.

15 [Tashiro Exhibit No. 20 marked
16 for identification.]

17 Q. I show you Exhibit No. 20 which is VATEC
18 Incorporated with the subscriber of Oliver North, 703
19 Kentland Drive. This is with Computerized Central
20 Station Services, Inc.; is that correct?

21 A. That is correct.

22 Q. That is a firm in Annandale, Virginia that
23 does what?

24 A. They maintain a central monitoring station
25 service.

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1 Q. For a number of alarm systems that would be
2 tied into it; is that correct?

3 A. That is correct.

4 Q. This is the central system into which the
5 North residence security system was tied?

6 A. That is correct.

7 Q. Under item 5, it says, "After reporting to the
8 authorities, call the following parties until reaching
9 one of them," and it lists four names; is that right,
10 sir?

11 A. That is correct.

12 Q. The first name is Mr. Oliver North and it has
13 his home number; is that right, sir?

14 A. I am not sure whose number that is but that is
15 correct.

16 Q. It has a number for Colonel North?

17 A. Yes.

18 Q. The individual listed number 3 is Mr. Glenn
19 Robinette; is that correct?

20 A. That is correct.

21 Q. As you understand this document, that means if
22 there were something triggered by the alarm system, an
23 attempted break-in, smoke detected, whatever that that
24 would be fed to the central station and they would
25 attempt to contact one of these individuals?

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1 A. That is correct.

2 [Tashiro Exhibit No. 21 marked
3 for identification.]

4 Q. I would like to show you Exhibit 21 which is a
5 letter to Mr. Glenn Robinette at his [REDACTED]
6 address dated July 10, 1986 and it is on the letterhead
7 of VATEC Inc. signed by Jim Moore, Vice President of
8 VATEC. Are you familiar with this letter, sir?

9 A. Yes, I am.

10 Q. In summary, what does it say?

11 A. It explains to Mr. Robinette the services that
12 we provided to the North residence in terms of the
13 security system, why we did it, how it works, and the
14 other items that we provided such as lights, auto alarm,
15 and so on.

16 [Tashiro Exhibit No. 22 marked
17 for identification.]

18 Q. Finally, sir, the final Exhibit is number 22.
19 It has a handwritten date--in fact, it is all
20 handwritten--of 6-19-86 and has the name Jack at the
21 top. Tell us if you would who Jack is?

22 A. That Jack is myself.

23 Q. What does this represent?

24 A. This is Jim Moore who is the operations man
25 sending me a note saying to write to Mr. Robinette

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1 for the remainder of the service and it lists our price,
2 our part of it, the electrical work and what the invoice
3 should be.

4 Q. And it shows the total invoice of \$11,703; is
5 that correct?

6 A. That is correct.

7 Q. It reflects down payment of \$6,000?

8 A. That is correct.

9 Q. And it shows the final amount due of \$5,703?

10 A. That is correct.

11 Q. At the top it says sends bill to whom?

12 A. Glenn Robinette.

13 Q. Thank you, sir. You have been very helpful to
14 the Committee, Mr. Tashiro. Is there anything else you
15 can think of with regard to the work that your company
16 did for the North residence at the request of Glenn
17 Robinette that the committee should know about?

18 A. The only comment, I believe, is that when we
19 did hear the name North, it really didn't mean anything
20 because, at that time, there was no publicity. We had
21 no idea who he was and, normally, when we do jobs, we
22 like to put the name of the owner and we often do jobs
23 with the middleman in between so the whole process was
24 not too remote from some of the things that occur on
25 other jobs.

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1 Q. With the possible exception of being paid in a
2 restaurant with an envelope of cash?

3 A. The restaurant is because we occasionally have
4 lunch together. That was not strange either. Instead
5 of him sending the money over or my going over to his
6 house to pick it up, if we met at the restaurant and had
7 lunch, that would be a convenient place for him to give
8 me the money, and that was the first time he tried that
9 restaurant and he really liked that food, so it was a
10 good lunch.

11 Q. Is there anything else you should we should
12 know, sir, that I is not thought to ask you?

13 A. I suppose if I were to do this over again,
14 after all this publicity, we just wouldn't touch the
15 job. Even after we knew of Colonel North, that did not
16 mean anything to us because there are lots of military
17 people that we do work for.

18 Q. Let me state for the record, so far as we
19 know, there is no reason to believe that you or VATEC
20 did anything that is in any way improper or out of the
21 ordinary ~~from you~~ ^{for you}. You were simply performing a job at
22 a particular residence and happened to be using a
23 middleman.

24 A. That is correct.

25 Q. If there is nothing further that you can think

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1 of, I have nothing further and I want to thank you for
2 your time and for your cooperation in providing so much
3 documentation. Thank you, sir.

4 A. You're welcome.

5 [The deposition was concluded at 4:05 p.m.]
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CERTIFICATE OF NOTARY PUBLIC/COURT REPORTER

I, Albert J. Gasdor, the officer before whom the foregoing proceedings were taken, do hereby certify that the deponent was duly sworn by me; that the testimony was stenographically recorded by me and, thereafter, reduced to typewritten form by computer-assisted transcription under my direction and supervision; and that the foregoing transcript is a true and accurate record of the testimony given.

I further certify that I am neither counsel for, related to, nor employed by any of the parties to this proceeding, nor financially or otherwise interested in the outcome of this litigation.



A handwritten signature of Albert J. Gasdor in cursive script, written over a horizontal line.

Albert J. Gasdor

Notary Public in and for
the District of Columbia

My Commission expires:

July 31, 1990

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HSITS-4

Deposition of Howard Teicher

Select Committee to Investigate
Covert Arms Transactions with
Iran,
U.S. House of Representatives,
Washington, D.C.

Thursday, March 12, 1987

The deposition was convened, pursuant to notice, at
9:35 a.m., in Room 1605 Longworth House Office Building.

Partially Declassified/Released on 22 DEC 87
under provisions of E.O. 12958
by [redacted], National Security Council
K. JOHNSON

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I N D E XEXHIBIT:MARKED FOR IDENTIFICATION

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HT-3	92
HT-4	93

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1 MR. EGGLESTON: We will go on the record. Please
2 swear the witness.

3 Whereupon,

4 HOWARD TEICHER

5 was called as a witness for the Select Committee, and, having
6 been duly sworn by the Notary Public, was examined and
7 testified as follows:

8 MR. EGGLESTON: Off the record, please.

9 (Discussion off the record.)

10 MR. EGGLESTON: My name is Neil Eggleston. I am
11 Deputy Chief Counsel of the House Select Committee to
12 Investigate Covert Arms Transactions with Iran. Also partici-
13 pating in this deposition is George Van Cleve, Chief Minority
14 Counsel to the House Select Committee.

15 Let me say at the introduction that this is a classified
16 deposition, that Mr. Teicher will be testifying about various
17 events that are classified. I would caution anyone who reads
18 this deposition to be particularly careful about names and
19 other things that might be revealed in the deposition.

20 Mr. Bennett, is there something you would like to say
21 for the record?

22 MR. BENNETT: Yes. Just a couple of points I want
23 to bring to the attention of the committee through its
24 representatives today.

25 Mr. Teicher has testified before both the Senate

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1 Intelligence Committee as well as the Tower Commission
2 and has made an effort to be as complete and as candid in
3 his testimony as possible. There are one or two obstacles
4 I want to bring to your attention today.

5 When events were most fresh in his mind, prior to being --
6 retaining counsel -- which was the result of essentially being
7 advised that he could not be represented by government counsel
8 Mr. Teicher was interviewed for two-and-a-half hours by the
9 Federal Bureau of Investigation and stated fully to them what
10 he understood the situation to be.

11 As soon as we were retained, we made an effort to
12 get his FBI 302 because it was the freshest recollection of
13 what occurred. We have been refused that document by both the
14 White House and by the Justice Department and the FBI. It has
15 been pursued right up to the Assistant Attorney General level,
16 so I would just want you to know we have not had access to
17 that document, would like access to it, because events are
18 very -- were more fresh at that time and also we don't know
19 whether they reported what he said accurately or not.

20 The second point, which is even of greater concern
21 to me -- and this really has nothing to do with your committee,
22 I just feel I have to make this for the record.

23 MR. EGGLESTON: Sure.

24 MR. BENNETT: I intend to be very quiet throughout
25 this. But it is important to us.

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1 When Mr. Teicher retained us, it was very evident
2 to me that the matters about which he would be asked about
3 were exceptionally sensitive; and I suggested that it was
4 essential that my partner, Carl Rauh, and myself have the
5 appropriate clearances before we could even discuss with Mr.
6 Teicher what the facts were and, therefore, advise him about
7 what he should do re requests of the Senate Intelligence
8 Committee, and the House committees, to interview him.

9 To my absolute chagrin, that met with some
10 initial resistance, but the Justice Department was in full
11 agreement with us. I don't want to make more of this than
12 it is. So we went before the committee and insisted on
13 those clearances. We pointed out to the committee it was
14 very easy to get us those clearances because both Mr.
15 Rauh and myself at that moment had active top secret clear-
16 ances of a compartmentalized nature in other matters that
17 were very sensitive.

18 Finally, we got a continuance for that and in a
19 matter of days, we got our clearances. Further, out of
20 respect for the security and sensitivity aspects of all of
21 this, we kept our original lawyers' notes as well as copies
22 of documents which Mr. Teicher was given by both the White
23 House, pursuant to the President's directive to cooperate,
24 and a Ms. Rieger. They were kept in files at the National
25 Security Council outside of Howard's office, marked "Attorney

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1 Client Work Product Materials."

2 Mr. Teicher advised them, and with the commission
3 and Mr. Carlucci, was going to remain until March, I believe,
4 the end of March and then was leaving.

5 Very abruptly, on February 27, I believe was
6 the date, without any notice, but the day or day after the
7 Tower Commission report, Mr. Teicher was advised it had
8 and was told he would have to leave his office immediately
9 that day.

10 Mr. Teicher called me and expressed, obviously,
11 concern about that unfair treatment; but more importantly
12 for our purposes, he wanted to know what would happen
13 with our attorney-client work product notes or materials.
14 It was important to us because with all the newspaper
15 publicity, and everybody talking about everything, and us
16 all reading it, it was important that we knew what we knew
17 of our own knowledge and not what has been merged.

18 We were assured those materials would be available
19 to us and that given their nature they should be left in the
20 National Security Council, which was agreeable to me. We
21 were told that it had to be in a safe facility and that was
22 the best way to have it done.

23 I personally spoke with Mr. Paul Stevens as did
24 Mr. Teicher, and was assured that these materials would
25 be readily available to us.

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1 Mr. Eggleston, as soon as I spoke with you about
2 coming here today and I notified my client, Mr. Teicher,
3 Mr. Teicher and I requested those materials, and to date we
4 have not got them.

5 Yesterday, I -- Mr. Stevens has not returned
6 my calls -- one call. A Mr. ^{Rawl}~~Bent~~, in his office called me
7 yesterday and told me I would have to submit a written
8 request. I said that that was ridiculous, that we were
9 testifying here today, we needed those materials to refresh
10 his recollection, to be prepared for today, that these were
11 not their original materials, they were copies, attorney-
12 client material; and I submitted a letter to him which I
13 want to give to you and which I would ask be placed a part
14 of this record.

15 Mr. Eggleston. Certainly.

16 (Letter Proffered.)

17 Mr. Bennett. With that, I just want to make the
18 point that Howard is going to do his absolute best to
19 answer your questions with great care and caution and
20 completeness, but we clearly have been prejudiced by our
21 inability to get our own materials. I have nothing else
22 to add.

23 Mr. Eggleston. The first thing, let me do,
24 is have this marked HT-1.

25 Mr. Bennett. Incidentally, we have not received

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a response to that, and I said to Mr. ^{Rawl} ~~Rawl~~ yesterday that
I would give him this letter, but I said I have got to see
those materials because we are testifying today and we
would have been prepared to review them last night.

(Whereupon, the document referred
to was marked for identification
as HT-1)

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1 Mr. Eggleston. Just a few questions and
2 only questions in response to that.

3 Do you recall how long or approximately when the
4 date of your interview was with the FBI?

5 The Witness. It would be on my calendar which
6 I no longer have access to regrettably. I would like to
7 point out when I submitted my letter of resignation to Mr.
8 Carlucci in mid-December, which we may have a copy of here,
9 I specifically asked to be allowed to stay on the staff
10 until the end of March so that I could cooperate fully and
11 maintain access to files and documents and calendars.

12 He had agreed -- we had an agreement. I was never
13 given an explanation as to why they decided to break their
14 agreement, but as you can well imagine, any document that
15 one used or prepared while a member of the staff is con-
16 sidered a Presidential paper, so I couldn't even take
17 my calendars with me.

18 Mr. Bennett. Excuse me. I have the date.
19 I asked you for the date.

20 The Witness. I was trying to say why I don't
21 have it.

22 Mr. Bennett. By letter dated December 15, we
23 wrote Peter Wallison, counsel to the President, and we
24 asked that in order to help him prepare for full presentation
25 to the Senate, it is extremely important that Mr. Teicher

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1 and us be provided a copy of the FBI report memorializing
2 Mr. Teicher's December 1st, 1986 statement to the
3 FBI.

4 Mr. Eggleston. Of course.

5 BY MR. EGGLESTON:

6 Q That recently comports with your recollection?

7 A Yes, it does. I wouldn't have been able to say
8 more than early December, late November.

9 Q Do you know how long that interview was?

10 A Approximately two and a half hours.

11 Q In just a moment, I am going to get into your
12 sort of background in a very brief fashion. What is your
13 current employment status?

14 A I am a full-time consultant at the NSC, without
15 an office at the NSC. I am seeking further employment
16 outside of the government.

17 Q So although you were terminated in late February,
18 you are still on the payroll, if you will, as a full-time
19 consultant?

20 A I am not sure how I would characterize what
21 was done to me, except to say that I was abruptly and
22 without warning advised that the NSC was no longer going
23 to honor its agreement to allow me to maintain an office,
24 a secretary, and access to my materials as of the close of
25 business February 27. This was basically told to me in

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1 non-negotiable terms.

2 Q Who was it who told you that?

3 A Grant Green, the executive secretary in the
4 presence of Paul Stevens. They made clear that I would
5 continue to be paid through the end of March, per our earlier
6 agreement, "and they believed that," that is all that should
7 have mattered to me anyway. Which is not the case, but
8 nonetheless, what seems to have mattered to them.

9 That had, while I signed out, and my badge was
10 taken, my clearances are still active and they chose not to
11 outbrief me on my security clearances. So I don't really
12 know what the proper nomenclature is for my status at this
13 point.

14 Q But at least you are being paid until the end
15 of March?

16 A That is correct.

17 Q Thank you.

18 Let me just sort of get rolling on -- as I said,
19 I would like to start with a little background so I can place
20 you in a context.

21 How old are you?

22 A Thirty-two.

23 Q Could you give us your date of birth?

24 A May 9, 1954.

25 Q Where were you born?

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A Boston, Massachusetts.

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Q Could you tell me a little bit about your educational background?

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5

6

A When I was about three years old, my father was transferred to St. Louis. I maneuvered through the St. Louis County public schools, graduated from high school in 1972.

7

8

9

I was an undergraduate at Boston University where I received my B.A. in Political Science, with a minor in Economics. I was Summa Cum Laude, Phi Beta Kappa and received the political science award.

11

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Q What year did you graduate from college?

A 1976. I was on the sailing team for four years, sort of a fairly normal undergraduate experience in Boston.

Q Any post graduate work?

A I then moved to Washington, D.C., where I attended graduate school at the Johns Hopkins School of Advanced International Studies, participated in a two-year masters program. I received my M.A. in International Relations in 1978.

Q In 1978, did you then become employed?

A Actually, my employment with the government began in July of 1977. I was brought on to the State Department as a non-paid summer intern, received a course credit during that first summer. I worked in the Bureau of Political Military Affairs on the Middle East and Tactical Nuclear

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1 Weapons Issues.

2 At the end of the summer, they asked me if I could
3 continue to work for them, because they didn't have a
4 Middle East person in the office I worked in.

5 Q Who was your supervisor?

6 A David Gompert was my first immediate supervisor
7 at PM. Leslie ^{Gelb} ~~Stall~~ was the director of the
8 bureau at the time. I told them there was nothing I
9 would like more than to continue working at the State
10 Department, but I needed to get paid.

11 Mr. Bennett. Slow down a little bit. He has
12 got to take it.

13 The Witness. I am sorry. Please tell me if I go
14 too fast.

15 They suggested if I knew how to type and could
16 pass the clerk typist examine, that they were sure
17 that they could continue to employ me on the same types
18 of substantive work, but pay me at the clerk typist rate.
19 Because there was otherwise no part-time substantive employ-
20 ment at the State -- I proceeded to take this examine
21 and passed it and was employed for the full second year
22 of my graduate studies on a part-time basis in the State
23 Department.

24 That continued through November, 1978, when I
25 became a member of the staff of the Office of the Secretary

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1 of Defense in the International Security Affairs Division,
2 working on Middle East affairs as a policy analyst, GS-9.

3 BY MR. EGGLESTON:

4 Q What was your supervisor then?

5 A The Deputy Assistant Secretary of Defense I
6 worked for was Robert Murray. My immediate supervisor
7 was Nancy Burg.

8 Q How long were you there?

9 A I worked in ISA through, I believe it was
10 July of 1981, at which time I moved back to the State
11 Department, became the staff assistant to the counselor
12 of the State Department who was then Robert McFarlane.

13 Q And how long did you remain with -- in that
14 position?

15 A In, I believe, early January 1982, McFarlane was
16 appointed the Deputy NSC Advisor, and at that time he asked
17 me to join him on staff at the National Security Council.

18 On March 29, of 1982, I officially became
19 a member of the National Security Council staff.

20 Q What kinds of work were you doing when you were
21 working with Mr. McFarlane at the State Department?

22 A I did a variety of things for McFarlane. As
23 the staff assistant, I would arrive at work at least a half
24 hour before him and assure that all materials that came in
25 over night were available for him to look at in a priority

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1 fashion; that he was properly staffed for the day in terms
2 of briefing materials and talking points; that the newspapers
3 were there. In the course of the day, I would participate
4 in some meetings with him as a note taker; other meetings,
5 as a substantive person. When he traveled, he took me with
6 him as a note taker and staff assistant. I don't know
7 what you would call it. A horse holder, carry his brief-
8 case, although he liked to carry his own briefcase.
9 We took several secret trips together and several public
10 trips together.

11 Q During the period of time you were with the Office
12 of the Secretary of Defense, did you know Paul Thompson?

13 A No, I did not.

14 Q When you were with McFarlane in the State
15 Department, did you know Michael Ledeen?

16 A I met Mr. Ledeen when I came onto the State
17 Department the second time.

18 Q What was his job at the State Department
19 when you were there?

20 A As I understood it, he was a Special Assistant
21 to the Secretary of State Haig.

22 Q Let me now direct your attention to the period
23 of time that you were at the NSC. I think you indicated
24 that started around March. You have me a precise date.
25 My best recollection is something like March 29, 1982?

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A That is correct.

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Q What job did you have when you first arrived at

3

NSC?

4

A I was a junior member of the Middle East Directorate

5

Q Who was the director?

6

A The senior member was Dr. Jeffrey Kemp, and

7

Dr. Raymond Tanter.

8

Q Who else was in the directorate?

9

A A man named Doug Feith, who was basically leaving

10

as I came on. We didn't really work together at all.

11

He was asked to leave when Judge Clark came on board.

12

Q How long did you remain in that position?

13

A I remained in the Middle East office through,

14

I believe it was May 25th or 26th, 1986.

15

Q Did your position there change during that

16

period of time, between March of 1982 and May of 1986?

17

A In January or February of 1986, the then senior

18

director for the Middle East, Mr. James Covey departed

19

the NSC staff to become our Deputy Chief of Mission Inquiry.

20

I was to become the Acting Senior Director of the Middle

21

East group until his successor, Mr. Dennis Ross, came on

22

board in late May of 1986.

23

At that time I was to become the Senior

24

Director for Political and Military Affairs on the NSC staff.

25

Q So it was in May of -- May 25 of 1986 that you

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1 became the Director of---

2 A Only to the extent that that was the day that
3 Dennis Ross became the official Senior Director for Middle
4 East Division.

5 Q As the Director of the Political-Military Affairs,
6 to whom did you report?

7 A I would have reported to Don Fortier.

8 Q Except that he was---

9 A Except he was sick. I would then report to Admiral
10 Poindexter.

11 Q I take it -- who did you report to during the
12 period of time January-February 1986, up until May of 1986?
13 Similarly?

14 A The same arrangement.

15 Q To Poindexter?

16 A Poindexter or Fortier. Fortier was in office
17 through mid to late April. I don't believe he was hospitalized
18 or took medical leave until about the third or last week
19 of April because he was centrally involved in the U.S.
20 reaction to the Libyan-sponsored terrorism. He was the
21 principal coordinator at the senior level. It was only
22 after that, that he departed. That was April 15.

23 Q When is it that Mr. Fortier died?

24 A I believe it was August -- I don't recall
25 the exact date. The last week of August 1986.

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1 Q I take it, though, he was out of the office from

2 April through August?

3 A He never returned.

4 Q Obviously you know Colonel North?

5 A Yes.

6 Q When did you first meet Colonel North?

7 A I first met Colonel North in late May, early

8 June 1982.

9 Q What was the context of meeting him at that time?

10 A He worked in the Political-Military Affairs office

11 on Middle East Affairs and we were engaged in various staff

12 activities relating to the Israeli invasion of Lebanon.

13 Q Let me -- I have never gotten a clear picture

14 of what the office of Political-Military Affairs does.

15 What is its principal area of focus?

16 A I can only speak to that in terms of when I

17 was in charge.

18 Q That is all I need to ask you.

19 A I don't think anybody knows what part of its

20 function was before. Mr. Fortier was in charge of it for

21 some time. It was different, I believe, than when I was

22 in charge.

23 My office dealt with what I would describe as

24 overt political military activities. This means anything

25 involving the use of military power in peacetime or

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1 war time exclusive of what are described as special
2 operations, for example, a hostage rescue attempt, or a
3 covert use of military assets, for example, a CIA subcontract
4 to the military. I had nothing to do with what are
5 described as black programs. Some, for instance -- and
6 military exercises in the Mediterranean involving crossing
7 Qadahfi's so-called line of death was something that we
8 would have had principal responsibility on the staff for
9 coordinating.

10 Another activity---

11 Q Coordinating among whom?

12 A The interagency group of office's representatives
13 of the Defense Department, Joint Chiefs of Staff, CIA,
14 State Department, and anyone else who might appropriate
15 have been involved. So it would have been our job, for example,
16 at the working level to convene working group meetings, to
17 draft papers, try and reach agreement on options, on
18 the pros and cons of different options, and then
19 move it up, move the paper up to a higher level for the
20 consideration by the principals. Perhaps to make recommenda-
21 tions, but not necessarily. That is not exactly how it
22 worked in the Libyan case. That is more of an illustrative
23 example. I also had one guy who was responsible
24 for international narcotics activities. That was a POL-MIL
25 function.

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1 For instance, the U.S. support for the
2 Bolivians in Operation Blast Furnace. This man in my
3 group would coordinate to the extent the NSC was involved.
4 We also had principal responsibility for what is called
5 security assistance, the sale of arms, the provision of foreign
6 military sales credits, and that was basically a coordination
7 function and a liaison with legislative affairs people
8 would then work out a strategy for working with the Congress.

9 Q Okay.

10 A We had no involvement in -- I shouldn't say no
11 involvement. We had no responsibility for terrorism
12 matters. In fact, when Admiral Poindexter called me to offer
13 me the job of Senior Director for Political-Military Affairs,
14 on, I believe, February 13, he explicitly---

15 Q This is February 13 of 1986?

16 A 1986. He explicitly stated that Colonel North
17 would be responsible and in charge of a separate directorate
18 that would have responsibility for terrorism matters and
19 what was euphemistically called hostilities in Central
20 America. My office had nothing to do, no responsibility
21 for terrorism or Central America Contra-backed activities.

22 Q Obviously I want to ask you lots more questions
23 about Colonel North and how he got in that position. Before
24 I do that, let me ask during the period of time you were with
25 -- I think you called it the Middle East Directorate -- what

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1 Kind of matters was the Middle East Directorate responsible
2 for? I guess this would be the period March of 1982 through
3 February or so of 1986?

4 A We were responsible for U.S. foreign policy
5 in the countries Morocco in the West through Bangladesh
6 in the East. The major issues we were involved in included
7 the Arab-Israeli peace process, the Israeli invasion of Lebanon,
8 the Iran-Iraq War, security assistance to Pakistan and India,
9 Libyan matters that were not terrorism specific, economic
10 developments in various countries, the traditional U.S.
11 foreign policy activities in the Middle East.

12 Q Could you, to the best that you recollect,
13 trace Colonel North's -- the various areas where he was
14 assigned from the time that you knew him -- I guess the time
15 you arrived. I take it he was already there when you got
16 there?

17 A He was there before I arrived.

18 Q When you first arrived, what directorate was he
19 in?

20 A I believe he was in the Political-Military Affairs
21 Directorate.

22 Q Do you know whether at that time he had a
23 separate assignment?

24 A I don't know.

25 Q And did he as a technical matter, remain in the

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jm 17

1 in the Political-Military Affairs Directorate up through
2 November 25 of 1986?

3 A No. There has been considerable confusion---
4 Mr. Bennett. Just answer the questions.
5 The Witness. No, he was not. There was a
6 separate office he ran that was also called Political-
7 Military Affairs, but it was not part of my office.

8 BY MR. EGGLESTON:

9 Q Who was in his office?

10 A He had to substantive subordinates, Colonel
11 Earl and Commander Coy, and he had two secretaries.

12 Q Did he -- and at what time to the best you
13 recall, did he have this separate operation, the separate
14 directorate, that was also called Political-Military
15 Affairs, when did that begin?

16 A I am not really sure when it began.

17 Q I take it as of this telephone call that you got
18 in February, clearly as of that, he has already had this
19 separate operation; is that correct?

20 A Yes.

21 Q Do you know how much prior to that time, any sense
22 at all?

23 A I am really not sure. I would say that---

24 Mr. Bennett. Excuse me. They are entitled to
25 get full and complete answers, but I don't want you guessing

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1 either.

2 Mr. Eggleston. I don't want you to guess either.

3 BY MR. EGGLESTON:

4 Q I thought you might have attended meetings, know
5 who he reported to?

6 A I think the best benchmark would be the late --
7 late 1985 or early 1986 conclusion of the Vice President's
8 Task Force on Counter~~terrorism~~ ^{terrorism}, which resulted in a National
9 Security Council decision directive, I believe, Number 205,
10 which called for the NSC to create a separate office dealing
11 with terrorism matters; and North, who was the action officer
12 for terrorism matters on the NSC assumed that portfolio.
13 I don't know the exact date that Poindexter might have
14 decided or created the office. It was around the time of that
15 NSDD.

16 Q Was he ever in the Middle East Directorate?

17 A No.

18 Q That you know of? During the period of time
19 that you know of?

20 A He was never in that.

21 Q Again I don't want you to speculate in response to
22 this question, but if you know, do you know the reason
23 that these two separate activities, counter~~terrorism~~ ^{terrorism} and
24 hostilities in Central America were combined in one
25 directorate?

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A I don't know why.

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Q When you say an action officer, was he -- what is an action officer?

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A An action officer is bureaucratic euphemism for the person responsible for preparing staffing materials, papers, memos, what ever is required on a given issue; and that person -- let's say, person "X" is the action officer -- might draft a memo and then be required to have "Y" and "Z" look at that memo; but it would be that person, "X" that was responsible. It is the responsible staff person. That is a common title that is assigned people throughout the National Security Bureaucracy.

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Q Were there regular staff meetings at the NSC?

A Yes.

Q Did you attend those staff meetings?

A There were two types of staff meetings, a senior staff meeting, four days a week, Monday, Tuesday, Thursday, Friday, for senior directors. I attended those when I became the senior director. I might have occasionally attended them prior to that, if there was a special reason to. Otherwise, there was a regular staff meeting with the entire staff every Wednesday at 5 o'clock.

Q How many people attended the senior directorate meeting?

A I would say it was anywhere from 12 to 17 or 18.

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jm 20

1 Q And how large is the whole staff? How many people
2 attended the whole staff?

3 A Most of -- whatever the number was. I don't
4 know, 45, 50 positions.

5 Q Who presided over the senior staff meetings during
6 that period of time you have knowledge of?

7 A Generally Admiral Poindexter or McFarlane before
8 him.

9 Q Did Admiral Poindexter, after -- was Mr. Fortier
10 Admiral Poindexter's deputy?

11 A Yes.

12 Q After Mr. Fortier in April of 1986 no longer was
13 functioning at the NSC, who became, if anyone, Admiral
14 Poindexter's deputy?

15 A He had no deputy through the summer, but I believe
16 in early September, Dr. Alton Keel -- who the Senate yesterday
17 confirmed as our next Ambassador to NATO -- was serving as
18 the acting deputy to Poindexter.

19 Q Since I interrupted you, I lost the time
20 period.

21 A Early September.

22 Q He became the acting deputy?

23 A Acting -- early September, mid August.

24 Q Was Alton Keel in the NSC prior to that time?

25 A No.

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1 Q Where had he come from?

2 A I am not sure. He had been at the Office of
3 Management and Budget, but had left that position and
4 I don't know what he had done immediately prior to joining
5 the NSC staff.

6 Q So it is my understanding that Colonel North
7 never reported to you? You were never Colonel North's
8 supervisor?

9 A That is correct.

10 Mr. Bennett. I just want to be sure we are
11 using the words the same way. You mean in any kind of
12 formal sense? There may have been instances where he spoke
13 to North? Gave him a status report on something.

14 The Witness. ^{By} reporting to me, you mean was the
15 supervisor responsible for him?

16 Mr. Eggleston. I meant reported to in the
17 heirarchy technical sense of were you ever his supervisor?

18 Mr. Bennett. Yes.

19 Could I make just one point to clarify something?

20 If you feel you need further clarificaton on it,
21 fine.

22 This is not quite like a regular civil deposition.
23 It is important for me to have the record clear. There is,
24 we understand, some kind of directory floating around or a
25 list of telephone numbers which has identified Mr. Teicher

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1 as the Director and Colonel North as the Deputy Director.
2 What Mr. Teicher indicates is that that is not an accurate
3 reflection of what occurred. I didn't want you to be
4 mislead in any way. I don't know if you know that exists
5 or not. I assumed you did.

6 Mr. Eggleston. I did know it existed. I assumed
7 from what Mr. Teicher said that that was not an accurate
8 reflection of the roles of the two.

9 The Witness. For the record, I would like to note
10 that on many occasions I said that I believed North's office
11 should be called something separate.

12 BY MR. EGGLESTON:

13 Q I was about to ask you that?

14 A I was told that it was not important.

15 Q So there were two directorates called Political-
16 Military Affairs?

17 A Political-Military Affairs; yes. But people
18 within the bureaucracy all recognized that North had a
19 separate office and dealt with terrorism and the Contras and
20 that it had nothing to do with my office. So that was
21 understood. As I was told by Mr. McDaniel, the security
22 secretary, when I asked him to explain this to me, he said
23 that the decision was made by Poindexter, not to create an
24 office with the name of terrorism on it as a concession to
25 Secretary Shultz. Because the NSDD 205, while saying that the

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1 the NSC should have "The Terrorism ~~Q~~," also said the
2 primary responsibility for counterterrorism matters should
3 rest with the Department of State. So there was a contradic-
4 tion in the compromise that was reached by the group pre-
5 paring the NSDD and Poindexter chose to at least give Shultz
6 and state the impression that they were in charge even though,
7 as I understand it, and most people knew, that Colonel North's
8 operations subgroup, which was directed to be established
9 as part of the NSDD, was the most important interagency group.

10 So you have to understand the bureaucraties that
11 were involved here to realize why the titles were what they
12 were.

13 Q Let me direct your attention to around August
14 of 1984. I understand that around August of 1984, there
15 was an NSSD directive or something; can you tell me what an
16 NSSD is?

17 A Yes; that is an National Security study directive,
18 that is a basically an assignment from the National
19 Security Advisor to the interagency group, departments to
20 prepare a study on a given question.

21 Q And let me refer to this specific, there was
22 an NSSD in August of 1984?

23 A This is exactly one of those documents that my
24 attorney spoke of that is in my file that I would have liked
25 to have seen. I expected you might have been interested in

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1 it. To the best of my recollection, on August 31, 1984,
 2 Mr. McFarlane signed out on an NSSD tasking the groups,
 3 state, JCS, OSD, CIA, and the NSC staff to undertake a study
 4 of what the U.S. might do to have some influence in a post-
 5 Khomeini Iran. I am not sure that is an accurate recitation
 6 of his exact words. Again had I been able to refresh my
 7 memory, I think I would have had it correct.

8 Q Let me ask you who drafts the NSSD? Or let me
 9 phrase it this way: Do you know who drafted that NSSD?

10 A I believe that NSSD was drafted by Dr. Jeffery
 11 Kemp, who at that time was the senior directorate of the Middle
 12 East group. I don't recall whether I commented and
 13 participated in the drafting or not. I probably did, but
 14 it was not my principal responsibility.

15 Q After the NSSD was issued, and you listed a
 16 number of agencies then who were responsible for coordinating,
 17 is the purpose of the coordination to determine whether to
 18 issue an NSDD?

19 A No. The purpose of the study is to analyze the
 20 problem, analyze U.S. interests, U.S. objectives in the
 21 context of the problem, and assess the options for the U.S.
 22 given interests and objectives, weigh the processes and
 23 consequences, try to reach an agreement, if possible;
 24 if not, convene higher level groups to reach an agreement
 25 on the conclusions of the study, and then to prepare a

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1 draft National Security decision directive for review and
2 decision by the principals.

3 Q If you could go through -- let me ask this question,
4 first. Were you involved then in that -- the activity
5 that took place subsequent to and as a result of the ~~NSC~~ ^{NSSD}
6

7 A I had a limited amount of participation. I
8 became more involved in early 1985 when Dr. Kemp left the
9 NSC and he was succeeded by Mr. Covey. Mr. Covey was
10 primarily interested in peace process matters. So I assumed
11 a greater responsibility for the Persian Gulf or Southwest
12 Asia matters.

13 Q By peace process, I assume you mean Israeli
14 problems?

15 A Arab-Israeli problems.

16 Q Were you then in 1985 the principal person at the
17 NSC who was responsible for acting on the NSSD?

18 A Yes.

19 Q Could you---

20 A Principally lower level.

21 A I understand.

22 Could you go through and tell me who---

23 Mr. Bennett. Could he explain that?

24 The Witness. I think -- because Don Fortier
25 was then a senior advisor to McFarlane and he was the one
most interested in long-range developments relating to

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1 Iran. He, I think, would have to be described as responsible
2 on the staff.

3 BY MR. EGDELSTON:

4 Q Right.

5 A I would describe myself as a staff officer who
6 essentially worked for Don on these matters as did Kemp
7 before me.

8 Q What I am interested in is if you could, as best
9 you can recollect, tell us who the people were at the other
10 agencies who were acting both at your level, at the staff
11 level, and also at the -- at the Fortier-Kemp level?

12 A At the CIA, it would have been Graham Fuller, who
13 was the National Intelligence Officer. You would have to
14 ask him who within the CIA was working on it for him. I
15 am sure there were many analysts involved.

16 Q So Grant Fuller was at the Fortier level?

17 A Fortier level and also, perhaps, below that. I
18 would be in touch with him. It wasn't that hierarchical
19 in terms of who would talk to whom.

20 At the State Department, the people involved
21 would have been Arnie Raphael, who is the principal Deputy
22 Assistant Secretary for Near East Affairs; and James Placke,
23 who was the Deputy Assistant Secretary of State for Near
24 East Affairs relating specifically to the Libyan Peninsula
25 and Persian Gulf.

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1 And then his staff officers, whomever worked on
2 the Persian Gulf matters, would all have been involved. I
3 don't recall at that time whether Assistant Secretary Murphy --
4 whether Murphy was then the Assistant Secretary or whether
5 it was still Veliotis. He would certainly have known about
6 it. Armacost may not have yet come on. I am just not sure
7 what the dates were.

8 If it wasn't Armacost at Fortier's level, it
9 would have been Larry Eagleburger.

10 The people in Defense that were involved were the
11 ISA representatives.

12 Q What is ISA?

13 A International Security Affairs in the Office of
14 the Secretary of Defense. At that time---

15 Mr. Bennett. What time are we talking about?

16 The Witness. You are talking about late 1984,
17 early 1985?

18 BY MR. EGGLESTON:

19 Q Right.

20 A I don't really recall -- Armitage was the
21 Assistant Secretary of Defense. I can't -- there was an
22 Air Force General who was the Deputy Assistant Secretary
23 of Defense. I can't remember his name. They would have
24 been involved.

25 Q Was there one agency that was sort of the

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1 principal agency responsible for coordinating among the
2 various agencies?

3 A State Department.

4 Q I take it there comes a time when a draft NSDD
5 is prepared?

6 A Yes. Again that document is in this file that I
7 was not given access to.

8 Q What does NSDD stand for?

9 A National Security Decision Directive.

10 Some other names that -- some of the lower level
11 people that might have been involved at defense and state
12 could have included a Mr. John Semple, Mr. Peter Burley,
13 Mr. Peter Liden, and other staff officers. They would
14 have all answered to the people whom I mentioned before.

15 Q Did you participate in the drafting of the NSDD?

16 A I don't believe I did.

17 Q Did you read it prior to the time that it was
18 distributed?

19 A No. To the best of my recollection, the State
20 Department distributed a draft NSDD sometime in late 1984
21 or early 1985. I don't recall the exact date and I read it
22 at that time.

23 Q What happened to that draft?

24 A I showed it to Don Fortier and Admiral Poindexter
25 and I recall their being dissatisfied with it.

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1 Q So that draft remained at the---

2 A Draft, no standing.

3 Q There comes a time when a draft is eventually
4 distributed that we have all read about that was commented on
5 by Secretary Weinberger and Secretary Shultz. Did you see
6 that draft?

7 A Yes. I helped produce that draft.

8 Q Was that a more formal draft than the one distributed
9 by state?

10 A No. It had the same kind of standing as a draft
11 NSDD prepared by lower level officials for eventual con-
12 sideration by the principals.

13 Q Do you know whether Mr. Weinberger and Mr. Shultz
14 saw the earlier draft?

15 A I don't know.

16 Q Do you recall approximately when it was that
17 the draft that has now become famous was distributed to
18 Secretary Shultz and Secretary Weinberger?

19 A I believe as the Tower report states, on June
20 17 Mr. McFarlane signed out a memorandum to Shultz and
21 Weinberger covering the draft NSDD prepared by Fortier and
22 me. He also signed apparently a separate copy out to Bill
23 Casey.

24 Q Prior to the time that he had signed a copy
25 out to Secretary Shultz and Secretary Weinberger, had you

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1 read it?

2 A Yes.

3 Q Had you discussed it with Mr. McFarlane?

4 A Yes.

5 Q Had you participated in the drafting of that draft?

6 A You are referring to the one McFarlane signed
7 out?

8 Q Yes.

9 A Yes, I had.

10 Q Was it your recommendation it be sent out?

11 A Yes.

12 Q Was this draft -- was the drafting of that
13 draft, which I will call the June 17 draft, so we are
14 clear, did representatives of the State Department and the
15 Department of Defense participate in the drafting as well
16 of the June 17 draft?17 A As I recall, I drew on the document that had
18 earlier been prepared by the State Department to the maximum
19 extent possible so that they would not be able to object and
20 would recognize their own inputs in preparing with Fortier
21 the subsequent draft. But the way this was prepared was
22 that this was essentially an NSC staff product draft, but
23 using inputs from all the other agencies. This was not
24 something where I just sat down one day and out of my head
25 composed a National Security Decision Directive. I had**UNCLASSIFIED**

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1 input from the Central Intelligence Agency, I had inputs
2 from the State Department, I had inputs from the Defense
3 Department.

4 Q Are you then the principal author of this draft?

5 A I would say that it was a joint document by
6 Fortier and me.

7 Q And obviously in retrospect the draft produced
8 some controversy because of its suggestion that military
9 equipment, on a case-by-case basis, might be provided to
10 Iran. Were there discussions within the NSC about that
11 prior to the time that the draft was sent out?

12 A There were discussions at the working level,
13 informal or formal interagency group meetings about what
14 might make a difference with Iran. The NSC itself is actually
15 the President, the Secretary of State, the Vice President,
16 statutory members.

17 Q I am sorry.

18 A The NSC staff, those who were involved in this,
19 to discuss the pros and cons of a possible loosening
20 of the operation called "Operation Staunch."

21 Mr. Van Cleve. Excuse me just a moment.

22 (Discussion off the record.)

23 BY MR. EGGLESTON:

24 Q In preparing the draft, did you discuss the
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1 concepts here, particularly the concept about providing
2 military assistance, military weapons to Iran with groups
3 outside of the government?

4 A There were individuals in the scholarly community
5 who were speaking and writing and said that the only thing
6 that would matter, make a difference to the Iranians, were
7 arms.

8 Q Do you remember who those people were?

9 A I believe Dr. Rahollah Ramasani at the University
10 of Virginia, made the point. I believe Dr. Marvin Zohnas
11 at the University of Chicago may have made the point.

12 Others may have as well. I can't recall the
13 specifics. I did not engage in any ^{outside} ~~outside~~ consultation.

14 I think it is important to note that we clearly
15 recognized, as we stated in the cover note to McFarlane and
16 his cover note that we prepared, the provocativeness of this,
17 but we felt it was an issue worthy of consideration by the
18 principals. That was our function. We didn't make decisions.
19 We tried to present them with options that might make a
20 difference and give them the pros and cons, which we did,
21 and which they considered.

22 Q Just so I am clear, did you actually consult with
23 those scholars or did you just read the things that they had
24 been writing?

25 A It was more informal. I did not have a

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1 consultative relationship with any of them.

2 Q Did you have discussions with them?

3 A Intermittently at conferences.

4 Q Did you discuss it with any -- did you discuss
5 it with any other outside people?

6 A No.

7 Mr. Bennett. Excuse me. I just want the record
8 to be clear. When you say "it"---

9 Mr. Eggleston. The June 17.

10 Mr. Bennett. Not the specific directive, but the
11 general concept?

12 BY MR. EGGLESTON:

13 Q The general concept of providing arms to Iran?

14 A No. It was a very sensitive subject and not one
15 we would discuss with anyone on the street.

16 Q In the preparation of this draft, the June 17
17 draft, was there discussions related to the hostages?

18 A No.

19 Q Did the draft that you have indicated that was
20 sent around by the State Department in, I think you indicated,
21 late 1984 or early 1985, did it include the provision, the
22 suggestion that arms be given to Iran?

23 A No.

24 Q On a case-by-case basis?

25 And I think I asked this before, but I sort of

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1 lost it in my head, prior to the suggestion that you have
2 in this document, had you discussed this particular project
3 with representatives of the State Department and the Department
4 of Defense?

5 A I am sure that we discussed it in general terms.

6 Q And---

7 A We certainly knew where our bosses stood on the
8 issue.

9 Q I take it by that -- let me ask you what you mean
10 by that? Where did you think McFarlane stood on the issue?

11 A I think McFarlane was openminded.

12 Q What was your understanding about where Secretary
13 Shultz stood on the issue?

14 A He was strongly opposed.

15 Q And what is your understanding about where
16 Secretary Weinberger stood?

17 A Strongly opposed.

18 Q So as of the time this document was sent out,
19 there was thought that it would -- it might be against
20 the then views of Secretary Weinberger and Secretary Shultz?

21 A Yes. As I said before, we thought that the
22 analysis was compelling enough to warrant their consideration
23 of the proposal given the importance of Iran and the dangers
24 that could ensue should Iran fall under the hegemony of
25 the Soviet Union.

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1 It is important to note that the purpose of
2 this NSDD was to look for ways to compete with the Soviet
3 Union and other powers for influence in a post-Khomeini
4 Iran.

5 Q Was there -- and I hope you don't think that by
6 asking these questions I am being critical. I am not here
7 to make judgments about whether this should have been done
8 or should not have been done.

9 These were not the reasons for my questions. I
10 am just curious as of this date what kind of discussion,
11 thought had been given to various aspects of it so that I
12 can measure that against what was thought about in various
13 other ways.

14 But as of---

15 Q I take everything in the spirit of inquiry and
16 discovery.

17 (Discussion off the record.)

18 BY MR. EGGLESTON:

19 Q Obviously the provision of weapons to Iran would
20 -- is something that was contrary to Operation Staunch?

21 A Yes.

22 Q And was there -- and Operation Staunch was, as I
23 understand it, a policy decision that ~~had~~ been reached by a
24 number of different agencies and was fairly strongly believed
25 in at the time? Was there any discussion of this proposal

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2 with the Department of Justice, with Customs, with other
3 organizations that were backing---

4 Mr. Bennett. At what point in time?

5 Mr. Eggleston. Around the time immediately
6 prior to the time the June 17 draft was sent out.

7 The Witness. No.

8 Mr. Bennett. Excuse me.

9 To your knowledge? You don't know about other
10 people.

11 The Witness. To the best of my knowledge,
12 thank you, the directive was provided only to state, defense,
13 and CIA. The working group that was examining this did
14 not include representatives of the departments you mentioned.
15 But my attorney is correct, I can not say that someone may
16 not have discussed with them this possibility.

17 BY MR. EGGLESTON:

18 Q As the working group was preparing this document
19 and as you were working on this document, was there any
20 discussion about the implementation of this suggestion
21 to provide weapons to Iran?

22 A No, there was not.

23 Q There was prior -- shortly prior to the distribution
24 of this draft a SNIE -- I forget what it stands for. Special
25 National Intelligence Estimate -- that was produced with

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1 regard to Iran; is that correct?

2 A Yes.

3 Q How much prior to this was that SNIE distributed?

4 A I don't recall the exact date. You would have
5 to check the registry at CIA.

6 Q Did you have access to it?

7 A Yes.

8 Q Did you see it?

9 A Yes.

10 Q I take it that the SNIE at least in part reported
11 that our information about Iran or our intelligence information
12 about Iran was extremely weak; is that a fair---

13 A I don't recall whether the NIE spoke of the
14 intelligence information, but it was certainly my view that
15 -- and the view of others that I spoke with -- that our
16 knowledge and understanding of the details of the internal
17 dynamics was weak.

18 Q My question is was there any discussion as of the
19 time among the working group at this time this draft was
20 prepared about whether or not the sending of military
21 equipment to Iran would actually affect any of Iranian
22 attitudes towards the United States?

23 A Yes. There was discussion of whether an arms
24 relationship with the Iranian Government would affect their
25 attitudes towards the United States.

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1 There was discussion of that. That, I think, is
2 the key: I think it is important -- and I am sure you
3 have it -- to look at the memo prepared by Gram Fuller, I
4 believe, dated May 17, 1985 toward a policy on Iran, which
5 was an input to the working group process and the preparation
6 of the NSDD which spoke of the contradictions that we were
7 coping with regard to our other interests in the Middle
8 East as well as the possible dangers and opportunities that
9 might exist. And because we were conducting a formal
10 interagency process, the NSC staff requested that the CIA
11 update the national intelligence estimate that it had
12 prepared in the Fall of 1984 on Iran so that our NSDD would
13 be formed by the most up-to-date agreed interagency
14 intelligence analyses.

15 Q Have you read the Tower Commission report?

16 A Yes, I have.

17 Q You probably read in the report that Mr. Ledeen
18 had begun a dialogue as of this time, I think principally
19 with Israelis about the state of the knowledge of both the
20 United States and Israel in Iran? Were you aware that
21 Mr. Ledeen -- were you aware as of this time, June 17, 1985,
22 that Mr. Ledeen had begun such a dialogue?

23 A Yes.

24 Q How were you aware of it?

25 A He apprised me himself on one or two occasions

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1 that he planned to do it, and as the Tower Commission
 2 relates, I was asked for my opinion by Mr. Fortier of whether
 3 McFarlane should designate Ledeem as a representative of
 4 speaking for him with the Israelis. Ledeem did not have
 5 a consultative relationship with my group.

6 ~~Apparently he was a consultant to the terrorism~~
 7 ~~group or to Don Fortier or someone,~~ but not to the Middle
 8 East group. He did come in occasionally. He would drop
 9 by while doing other business and just sort of bemoan
 10 our relationship with Iran and our poor intelligence and
 11 the need to do something about it, but I never got the
 12 impression that he had any great ideas other than to try
 13 to insinuate himself into the process in one way or the
 14 other.

15 Q What was your reaction when you were asked about
 16 whether or not Mr. Ledeem should act on behalf of---

17 A Again, I refer you to the Tower Commission report,
 18 which I think relates a note from Fortier to McFarlane
 19 on April 9, that says that I did not think it was a good
 20 idea.

21 Q Why did you think it was a bad idea?

22 A I questioned the ability of Michael to serve
 23 in this sensitive a function given his persona in public
 24 and his tendency to talk and not necessarily be as discreet
 25 as one needed to be. I was also concerned about the

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1 bureaucratic implications and the attitude of the State
2 Department. But again I don't have access to those notes
3 and I am not exactly sure; and, in fact, until I saw the Tower
4 Commission, I hadn't recalled that Fortier had asked me to
5 check with Nimrod Novick, who worked for the prime minister,
6 to determine whether he would be received.

7 Q Did you -- were you then aware that Mr. Ledeen
8 did make trips to Israel?

9 A Yes, I was.

10 Q Let me stay on Mr. Ledeen for a few minutes.
11 There comes a time, as you know, at least from the Tower
12 Commission report, that Mr. Ledeen began meeting with various
13 Israeli individuals and also with the individual by the name
14 of Ghorbanifar. Were you aware Mr. Ledeen had met
15 with Mr. Ghorbanifar?

16 A No, I was not.

17 Q Were you aware that he in the summer of 1985,
18 began meeting with Mr. Schwimmer, Mr. Nimrod?

19 A No, I was not.

20 Q As of -- just to pick a date, June 17, 1985,
21 had you ever heard of Mr. Ghorbanifar?

22 A No, I had not.

23 Q When is the first that you heard -- when is the
24 first that you heard of Mr. Ghorbanifar?

25 Mr. Bennett. Mr. who?

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Mr. Eggleston. Ghorbanifar.

Mr. Bennett. Ghorbanifar?

The Witness. In March of 1986. I never heard of him prior to my involvement in the actual initiative in March of 1986.

BY MR. EGGLESTON:

Q So you had not heard of him in connection with your studies in the Middle East?

A I never heard of Ghorbanifar.

Q Mr. Ghorbanifar had a, apparently, a channel in Teheran? Do you know the name of his channel?

A I am really not sure who he spoke with.

Mr. Eggleston. Was the channel at the meeting -- can we go off the record for a second?

(Discussion off the record.)

end jm

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DD #2
CAS-1

BY MR. EGGLESTON:

Q There comes a time, I take it, when you learn that Mr. Ghorbanifaor has a particular channel into Iran: is that correct?

A Eventually I learned that, yes.

Q Without mentioning who that individual's name was, as of June 17 of 1985, had you ever heard of that individual?

A No.

Q Now, let me return to this draft NSDD which was distributed. Do you recall approximately when it was that you received the responses from -- or starting with the response from Mr. Weinberger to the NSDD?

A Again, those are documents that I would have hoped to have reviewed. I would hope you have them in your possession.

Q I think I do. I am just asking for your best recollection.

A I think Shultz came in first on June 29 with his comments. I think Weinberger and Shultz were in mid-July. I may have that confused, though. That was the time frame.

Q You gave us two dates for Shultz.

A Shultz, I believe, was -- I am sorry. Shultz would have been the end of June, I believe the 29th. I believe Casey and Weinberger in mid-July.

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CAS-2 1 Q I take it it is your recollection that Mr. Shultz
2 and Mr. Weinberger were generally opposed to that
3 provision of the NSDD, and by that I mean the provision
4 dealing with -- suggesting sending arms to Iran, and that
5 Mr. Casey was not opposed to that provision?

6 A That is essentially accurate. The comments were
7 much more broad, covered many different subjects relating
8 not only to the proposal, but to the --

9 MR. BENNETT: Excuse me. We just want to be as
10 helpful to you as we can be. I gather you want me to do this,
11 if you ask him a date and he doesn't remember?

12 MR. EGGLESTON: Sure. Although on a lot of this
13 the precise dates aren't that important.

14 THE WITNESS: Shultz was June 29. Weinberger
15 was July 16. Casey was July 18. According to my
16 attorney's notes.

17 BY MR. EGGLESTON:

18 Q The dates do turn out to be a little more
19 interesting than I thought. Following the receipt, then,
20 by the middle of June of those comments from those three
21 individuals, what, if anything, happened to the NSDD?

22 A I talked with Fortier and with Poindexter. I
23 don't recall discussing the issue with McFarlane. I may
24 have gone on vacation or gone with the President to California.
25 I really do not recall.

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S-3

1 They asked me to try and work with some people in the
2 bureacracy who we had learned had been involved in drafting
3 Secretary Shultz' response, for instance, and who I thought
4 might have been working on it at Defense to see if there was
5 any flexibility or creativity on this particular issue or
6 any other issues.

7 Q Before you continue, do you recall who it was at
8 State and Defense?

9 A I recall at State meeting with Secretary --
10 Assistant Secretary Murphy and Peter Burley. At Defense,
11 I believe I spoke with a man named Fred Smith. Fred, I am
12 not sure was ever actually aware of the NSDD or not. We had to
13 talk around it, but we talked about the issues and I tried to
14 explore where there might be some opportunity for a revision
15 to the NSDD.

16 I concluded from my discussion that there
17 wasn't much room and they were reflecting the views of
18 their superiors and reflected in their superiors' comments.
19 I reported that to my principal, Fortier, Poindexter,
20 perhaps McFarlane.

21 I just don't recall in August. I was base --
22 I basically suggested that we had two options. We could
23 prepare a draft decision memorandum for the President --

24 Q Let me ask you as best you recall to place the time
25 in August.

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AS-4

1 A I could only speculate it was sometime between
2 early and mid-August. In reviewing my notes, I don't have
3 any record that further specifies when that informal
4 discussion might have taken place.

5 Do a draft decision memorandum for McFarlane to send
6 to the President that outlined for him the possible change
7 in our policy and the rationale and that would have
8 included the comments of Secretary Weinberger, Secretary
9 Shultz, and Director Casey, for him to decide whether to
10 move against their decision or to do nothing or to say
11 no, give it some more thought, or to do nothing else. And
12 in the event I was advised not to prepare a decision
13 memorandum for McFarlane to consider and to basically stand
14 down from the effort for the time being and to just be very
15 sensitive to what was going on in Iran and the region and be
16 ready to update, adjust, re-initiate the interagency process
17 as that might be appropriate.

18 Q Between this time period that you are now talking
19 about, mid-August of 1985, mid to early August of 1985, through
20 November 25 of 1986, were you ever asked to reactivate the
21 NSDD?

22 A No.

23 Q Did you throughout -- let me do it this way. You
24 subsequently learned because you read the Tower Commission
25 Report that in the last days or so of August and early

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CAS-5 1 September of 1985, there was a transfer of TOW missiles
2 from Israel to Iran and you have also at least read that there
3 was some discussion with the President.

4 A Who can remember?

5 Q Various discussions. Were you aware that was going
6 on at the time?

7 A No.

8 Q As of August of 1985, had you heard of
9 Adnan Khashoggi?

10 A Yes.

11 Q Who did you understand Adnan Khashoggi to be?

12 A I knew him from his reputation in the international
13 media as an international businessman involved in many
14 different types of business deals.

15 Q There comes a time about September -- I always
16 forget the date -- September 15 when Benjamin Weir was
17 released from Lebanon. It was attended by a lot of media
18 attention. Were you aware as of the date that he was released
19 that there had been a transfer of missiles to Iran?

20 A No.

21 Q Did you participate in any discussions with -- I
22 will start with Mr. Fortier, I guess, about the reasons
23 that Mr. Weir may have been released?

24 A No.

25 MR. BENNETT: May I have just a moment with my

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CAS-6 1 client?

2 MR. EGGLESTON: Sure.

3 (Discussion off the record.)

4 MR. BENNETT: I understand. All right. Well,
5 maybe he won't.

6 THE WITNESS: If he doesn't, I will make the point.
7 I am waiting.

8 MR. BENNETT: There is a portion, something which is
9 arguably responsive to your question. It was just the
10 manner in which you asked it that he didn't respond.

11 BY MR. EGGLESTON:

12 Q Why don't I ask you to go ahead. Or else I am
13 going to sit here wondering.

14 MR. BENNETT: The area dealt with his knowledge or
15 awareness. He answered that he was not aware.

16 MR. EGGLESTON: Right.

17 MR. BENNETT: There was incident.

18 THE WITNESS: As I related to the Tower Commission
19 in mid-September, I believe a day or so after Weir was
20 released, I did notice in the Foreign Broadcast Information
21 Service some interesting press reports alleging that a
22 transport aircraft had, I believe, mysteriously dropped off
23 the scope in Turkey and appeared in Israel. It was
24 subsequently alleged it was involved in arms transfers to
25 Iran and had some relationship to Benjamin Weir. There was

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CAS-7 1 then some domestic press coverage here on that. As the
2 Tower Report states, I believe, and as I told the Tower
3 Commission, I went to North to ask him about it. He
4 said there was nothing he could tell me about it.

5 I subsequently went to McFarlane, because I was
6 very concerned about the possibility that the Israelis
7 were providing arms to Iran in contradiction of our
8 policy, and McFarlane told me, well, there is nothing he could
9 tell me except the U.S. isn't selling arms for hostages.

10 I was pretty well advised that there was nothing
11 else that I needed to know about this through these
12 euphemisms.

13 I took it to mean I wasn't part of whatever
14 was going on, if something was going on.

15 BY MR. EGGLESTON:

16 Q Can you describe in any greater detail the
17 conversation you had with Colonel North?

18 A It was a brief -- I stuck my head into his office
19 and said, look at this. I have seen this. Can you tell me
20 anything about it? A very brief exchange.

21 Q And the best of your recollection is his response
22 was --

23 A His response was there is nothing I can tell you
24 about it.

25 Q Did you speak to anyone other than McFarlane and

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CAS-8

1 North about those press reports?

2 A No. I may have spoken with my wife about it.

3 Q I am sorry. Anyone at the NSC staff?

4 A No.

5 Q Did the press reports indicate the origin -- when
6 I say the origin, who had leased the plane? Did it reveal
7 any information about the plane itself?

8 A I don't recall. We would have to look at the clipping.

9 Q Did you ever see -- did you see any information
10 within the NSC about this plane?

11 A No.

12 Q Throughout the fall, between September, the
13 release of Benjamin Weir in mid-September 1985, and, say,
14 November 23, 24, 25, something around there of 1985,
15 you subsequently learned there were a series of meetings
16 with various individuals and eventually a transfer of Hawk
17 missiles. Were you aware of that at the time?

18 A No.

19 Q Was there anyone at the NSC -- you were in the
20 Middle East Directorate; is that correct?

21 A Right.

22 Q Was there anyone at the NSC who was -- let me ask it
23 this way. Was one of the areas you were responsible for in
24 your role at the NSC Iran?

25 A Yes.

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CAS-9

1 Q Were you the principal staff level officer
2 responsible for Iran?

3 A Yes.

4 Q Was there anyone at the NSC, at the staff level
5 officer, as opposed to Fortier, or Poindexter, or
6 McFarlane level who had more responsible for Iran to your
7 knowledge than you did?

8 A No.

9 Q And in 19 -- well, let me ask it this way. From,
10 say, the first of August 19 -- I am sorry. From the time that
11 you were told to stand down, I think was your words, on the
12 NSDD up through the conversation that you had in March of
13 1986, where you began some involvement in this process, did
14 anyone consult you about -- again, about the issue of
15 arms to Iran?

16 A No.

17 Q Were you consulted at any time along those times
18 about the various factions, political factions, in Iran?

19 A Well --

20 Q If you recall?

21 A No-one came to me to consult. I am sure in the
22 course of discussions with the others in the government,
23 we talked about what was going on in Iran. But it was -- I
24 was not, for instance, consulted by Colonel North, to the
25 best of my recollection, about Iranian matters or anyone

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CAS-10 1 else on the staff about factions such as you suggest.

2 I would just point out that it is important to note that
3 while I would be then described as the principal action officer
4 at the staff level for Iran, functional directorates also had
5 someone with responsible for Iran.

6 For instance, the Intelligence Directorate,
7 Vince Canesttero, had responsibility for any covert action
8 programs relating to Iran.

9 In the Economic Affairs Directorate, there would
10 have been one or more individuals, since we had so many
11 outstanding financial questions that were being addressed
12 by the Haig Tribunal, and emergency regulations, that
13 would have had some take a look at some regulations that I
14 would not have looked at. Or in the commercial area.
15 The people then in POL-MIL, if we were going to conduct
16 military activity in the vicinity of Iran, they would
17 have been involved, as well, and might have been asked
18 some of these questions.

19 Q I understand you were not the only person.

20 A It is important to understand there were a
21 variety of people that would have considered themselves
22 responsible. But the Regional Directorate would usually
23 assign the primary responsibility.

24 Q But the Middle East Directorate would have had
25 primary responsibility.

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CAS-11

1 A Yes.

2 Q Well, to your knowledge, and I am asking only to
3 your knowledge, were any of those other individuals in the
4 other directorates consulted by any of these issues?

5 A Not to my knowledge.

6 Q Did you consult -- did you have a regular
7 relationship with Vince Canestrero?

8 A As appropriate, I would talk with him about the
9 issues.

10 Q Did you throughout this time period -- again, I am
11 talking about from the time you were told to stand down in
12 mid-August of 1985 through whatever day it was in March of
13 1986, did you ever discuss the issue of arms to Iran or
14 political factions in Iran with Vince Canestrero?

15 A Probably. He had contributed to that NSDD. He was
16 one of the people on the staff that contributed to it and
17 who would have been the formal liaison with CIA with respect
18 to any questions that we might have wanted them to address
19 in the SNIE or in the other matter.

20 Q I was really directing your attention to the time
21 after the NSDD is essentially closed down?

22 A I don't recall.

23 [REDACTED]

24 [REDACTED]

25 [REDACTED]

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A No.

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Q When is the first ^{time} that you learned that a covert action finding had been signed with regard to Iran in January of 1986?

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A In March of 1986, early March I was asked to come to a meeting in Fortier's office. North and Peter Rodman were also present and at that time, I was given a general briefing on the finding, on the activity, and was advised of the role that was foreseen for me in the effort.

18

19

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21

Q Before I get into that, because I just want to cover about two more minutes, I would like to take a brief break and get into a period where your activity gets a little more intense in this area.

22

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25

You subsequently learned now or you know now there was a transfer of arms in February of 1986 directly from the United States to Iran. At or about the time that that was taking place, prior to this conversation with -- in March of

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CAS-13 1 1986, were you aware that that transfer of arms had taken
2 place?

3 A No.

4 MR. EGGLESTON: I would like to take a brief
5 break if that is okay with everybody.

6 (Recess.)

7 BY MR. EGGLESTON:

8 Q Right before we took our brief recess, you began
9 to tell us about conversations in March of 1986. You had
10 just indicated that you had a conversation with Mr. Rodman,
11 Peter Rodman, and Oliver North.

12 A And Don Fortier, in Don Fortier's office.

13 Q Just the four of you?

14 A Yes.

15 Q What is it, as best you recall, that they said
16 to you about the operation and what they wanted you to do?

17 A Basically they said that a finding had been signed
18 to conduct a joint operation with the Israelis that was to
19 try to undertake a strategic opening to Iran, that the
20 principal gesture of goodwill that we were going to undertake
21 was the provision of limited arms through the Israelis
22 and that what we wanted from them was their efforts to gain the
23 release of hostages.

24 That is the best of my recollection. I didn't
25 take notes on this. You don't take notes on this sort of

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AS-14

1 thing.

2 And then as a further gesture of our goodwill,
3 and we hoped to genuinely initiate the relationship,
4 McFarlane would be asked to travel secretly to Iran as the
5 President's special envoy.

6 I was to be accompanying McFarlane to provide
7 substantive staff support as a regional policy expert and
8 note taker and that in the preceding period, working with
9 Rodman and North, I was to draft the terms of references that
10 would bound the discussions McFarlane would have with the
11 senior Iranians.

12 Q How long did the conversation last?

13 A I don't recall.

14 Q Was it -- I don't mean --

15 A Brief. I am sure it was no more than 20 to 30
16 minutes at the most. Fortier's schedule was always wild and
17 we all had a lot of other things going on. At that time I
18 was principally involved in making preparations for a national
19 security planning group meeting to be convened on March 14
20 to consider whether to proceed with the naval challenge of
21 Qadhafi's claim to the Gulf of Sidra.

22 Q At that meeting, what if anything did you learn
23 about the prior relationship between the United States and
24 Iran with regard to the arms initiative?

25 A All I was told in very general terms was that

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PAS-15 1 some number of TOWs had been provided. There was no mention
2 that I can recall of the Hawk missiles. I don't believe
3 I learned about the Hawk missile business until the full
4 disclosure in November.

5 And even then, I was told it was oil drilling
6 equipment, as other people were. Only later was it that
7 I learned it was Hawk missiles. I was mis-led about that.

8 Q When is it that you learned -- I take it that
9 when there is a disclosure in November, you learned there had
10 been a transaction in November of 1985.

11 A That is correct.

12 Q And you were told it was oil drilling equipment?

13 A I believe that that is what I was told.

14 Q Do you remember who told you that?

15 A No. I really don't remember. It was fairly
16 frenzied.

17 Q Yes. We will get to that. It does seem like a
18 frenzied time. Do you remember approximately when it was
19 in the November time period that you were told about the
20 November transaction and that it was --

21 A During the preparation of the chronology.

22 Q Okay.

23 A So that would have been the middle of November.

24 Q When did you learn that the November transaction
25 had actually been Hawk missiles?

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CAS-16 1

A In that same time period.

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Q Who did you learn it from?

3

A I don't recall.

4

Q Were you consulted in March of 1986 about whether
5 a trip to Iran was a good idea?

6

A No. My opinion was not solicited about this
7 program.

8

Q Did you have an opinion?

9

A I am sure I had opinions.

10

Q Do you remember what it was?

11

A I believe that the strategic logic of an opening
12 to Iran was sensible and was in our interests. I thought
13 that a meeting with Rafsanjani, Khamenei, the President,
14 and Musavi would have been a significant and dramatic step
15 and would serve our interests.

16

I was troubled by the fact that there was a
17 relationship between arms and hostages, but I was not asked
18 for my opinion about it.

19

Q You had indicated in describing your conversation
20 that you had with Mr. Fortier, Colonel North, and
21 Mr. Rodman that the relationship was with the Israelis.

22

Do you recall them saying with the Israelis?

23

A Yes.

24

Q Did you indicate earlier that you had some familiarity
25 as a result of your consulting role with the Foreign

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CAS-17 Military Act sales, arms export laws, all that stuff?

2 A Arms export laws, yes.

3 Q Do you have a fairly -- did you have a fairly --
4 I don't know how to ask this exactly. In-depth knowledge of
5 those laws, the requirements, congressional notification that
6 may have gone with some of them?7 A I wouldn't say I had in-depth knowledge of the
8 laws. I knew about the key components. I would always
9 go and check the actual legislation before I would put --
10 give anyone my opinion about anything. It is very complicated.
11 There are lawyers who specialize in nothing more than that
12 act.13 Q Is there -- did you have any knowledge of the
14 congressional notification requirements?

15 A Yes, I did.

16 Q Let me ask what was your understanding if the
17 United States had sold weapons to Israel and Israel was going
18 to transfer them to the -- to Iran? Would that have triggered
19 a requirement of congressional notification?20 MR. BENNETT: Excuse me. I am going to object.
21 I am a little troubled about him opining on the law and
22 legal requirements. He is not a lawyer.23 MR. EGGLESTON: I will re-phrase it in a way
24 that I think he will have to answer.

25 MR. BENNETT: Well, you know, re-phrase it. I don't

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1 want him giving you his opinions of what the law does or does
2 not require. I am not sure I know what it requires at this
3 point.

4 MR. EGGLESTON: Okay. Although I think that his
5 knowledge of how this transaction might have been structured
6 and whether or not it was his view that congressional
7 notification may or may not have been necessary is a
8 question to be covered, that is permissible.

9 BY MR. EGGLESTON:

10 Q What was your understanding about how this
11 transaction that was going to take place was going to be
12 structured?

13 A I wasn't --

14 MR. BENNETT: Excuse me. What transaction? You
15 took us to the point of he is going over to Iran. We are
16 not talking about any transactions at this point. We are
17 talking about him going to Iran in March is what I thought we
18 were talking about.

19 BY MR. EGGLESTON:

20 Q Did there come a time when you learned that the
21 plane that you were going over on was also going to carry
22 weapons?

23 A Only when I arrived in Israel.

24 Q And did there come a time when you learned that
25 there were additional weapons contemplated in connection

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AS-19

1 with the trip?

2 A In the course of the trip.

3 Q And were you informed during the course of the trip
4 about the value of the weapons that were being transported?

5 A No.

6 Q Did you have any knowledge as of the time of the
7 trip about the quantity of weapons or arms or at this point
8 spare parts that would be transferred?9 A I was advised that something on the order of 240
10 Hawk missile spare parts were being sold in the context or
11 delivered or whatever in the context of the trip.12 Q As of the time that you learned that there was
13 going to be a transfer of Hawk spare parts to the
14 Iranians in the context of the trip -- I think is what you
15 used -- did you have -- did you give any thought to whether
16 there was a congressional notification requirement that would
17 be triggered as a result of the trip?18 A I was under the clear impression that everything
19 that was going on was being conducted under the umbrella
20 of the finding and that whatever was or wasn't being
21 notified was pursuant to the interpretation of the
22 Intelligence Act.23 Q Did you know whether or not Congress had been
24 notified?

25 A I was advised when I asked, when I was briefed,

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CAS-20 1 that Congress had not been advised. Or I believe
2 "notified" is the proper word.

3 MR. BENNETT: At what point in time?

4 MR. EGGLESTON: I am about to ask that.

5 THE WITNESS: In March.

6 BY MR. EGGLESTON:

7 Q That was during your conversation in March?

8 A When I was brought in, I asked if congressional
9 notification of the finding had taken place. I was told
10 it had not.

11 Q Who did you ask that of?

12 A Fortier. This was in the Fortier meeting.

13 Q All right. Okay. And was there any additional
14 discussion at that time about the requirements of
15 congressional notification?

16 A There was not much discussion about it.

17 Q What was it about what you had been advised
18 that caused you to ask a question about congressional
19 notification?

20 A My understanding of the Intelligence Act was that
21 findings had to be notified. And I was advised that the
22 Attorney General had interpreted that timely notification allow
23 the President to determine what was timely.

24 Q And who is it at that meeting who told you that, if
25 you recall?

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CAS-21 1 A I believe it was Fortier or North.

2 Q I am sorry?

3 A Fortier or North.

4 Q Fortier or North?

5 A Fortier or North.

6 Q And do you recall anything else about what either

7 Fortier or North may have said about the Attorney General's

8 opinion about congressional notification?

9 A No.

10 Q Was the conversation that you had with Mr. Fortier

11 and Mr. North and Mr. Rodman about congressional

12 notification, was that a conversation about

13 congressional notification under a covert action finding?

14 A Yes.

15 Q Was there any discussion that you recall about

16 notification under any of the Arms Export Act statute?

17 A I don't recall.

18 Q Do you recall throughout the time period, March of

19 1986 through November of 1986, whether there was any

20 discussion about notification under the Arms Export Act?

21 MR. BENNETT: That he was involved in?

22 MR. EGGLESTON: Sure. Sure.

23 THE WITNESS: I don't remember any discussion of

24 that.

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BY MR. EGGLESTON:

Q You indicated that out of that meeting you were asked to draft terms of reference?

A Yes.

Q What is "terms of reference"? What are those?

A Terms of reference are what would be called -- could also be called talking points for guidance to bound the discussions that one could have with a foreign official.

Q Were you told at that time what to put in the terms of reference?

A I was given guidance to prepare terms of reference that covered the -- what I would call macro issues in U.S./Iranian relations.

Q How long after this meeting did you prepare the terms of reference?

A I probably completed a draft within a day or so.

Q And what steps, if any, did you take to learn about what had occurred prior to your involvement in terms of relationships between Iran and the United States?

A I did not pursue it in great detail. I was advised that I was to have no operational role in this affair. I had a policy role. I would refer to whatever papers I had or what I thought should be in a first discussion that was held by a presidential emissary and a senior official from another government regarding the key issues in the relationship.

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3-23

1 Q Prior to the preparation, did you have any
2 additional discussions with Colonel North about the
3 initiative?

4 A I may have discussed one or two things with him.
5 I really can't recall. I didn't keep that kind of note.

6 Q I understand. Have you -- the Tower Report
7 refers to a document which is referred to as the undated
8 document and there is some speculation that it was around
9 April 4 or so.

10 Are you aware of the document I am talking about?

11 A Yes, I am.

12 Q When is the first time that you saw that document?

13 A The first time I saw the document that they refer
14 to was at the Senate Select Committee on Intelligence, when
15 they stuck it in my face.

16 MR. BENNETT: Excuse me, if I may.

17 (Discussion off the record.)

18 THE WITNESS: My attorney reminds me that
19 Mr. McMann, the Staff Chief of the Senate Select Committee,
20 did not let me see the document, did not let me read it. He
21 strictly asked me whether I could describe what type of
22 document it was as regards to being a decision memorandum
23 or something else.

24 The April 4 memo that you referred to, I believe,
25 I subsequently formally requested from Peter Wallison that a

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CAS-24 1 copy of that document be made available to me. It is in my
2 attorney/client work folder that I don't have access to.

3 MR. BENNETT: Just say you clearly understand we
4 have no reason to believe it is not the document, but he was
5 asked questions about a document which they refused to let
6 us see and through subsequent assistance, we got a document
7 which was purported to be the document which was in three
8 seconds shown to him at that meeting before the Intelligence
9 Committee.

10 BY MR. EGGLESTON:

11 Q But the first time that you had seen the
12 document that is quoted, I think at some length in the Tower
13 Commission Report, referred to as the undated document, was
14 at the Senate Select Committee hearing?

15 A The entire document, as my attorney said, that
16 we think was that document would have been at that time, yes.
17 I did not have in my possession or read what the Tower
18 Commission referred to until that full document was
19 provided to me by Peter Wallison's office in December.

20 Q So you saw the document prior to the time it was
21 released in the Tower Commission Report?

22 MR. BENNETT: Yes. We raised hell they
23 would show him a document and ask him questions about a
24 document and then not let us see it.

25 THE WITNESS: After my testimony before the SSCI,

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AS-25 1 I submitted a request for what I believed was the document
2 that they had asked me to comment on that I did not have a
3 copy of. So that would have been in the third week of
4 December, perhaps the 17th or the 18th of December. It was
5 probably in my memo requesting that.

6 BY MR. EGGLESTON:

7 Q That is okay. I don't care about that.

8 How many drafts of the terms of reference did you
9 do?

10 A I myself did one draft by myself and Rodman and
11 North then proceeded to prepare several differing versions of
12 the draft and I occasionally commented on it, but not in a
13 systematic manner.

14 Q I take it there comes a time when a final draft of
15 the terms of reference was prepared?

16 A I don't know.

17 Q Was there a terms of reference document taken by
18 McFarlane with him on the trip?

19 A Yes, there was.

20 Q Did you see that document that Mr. McFarlane
21 actually took with him?

22 A I only saw that when I got on the plane with
23 McFarlane.

24 Q Did you have occasion to read it?

25 A Yes.

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1 Q Do you recall any differences between the document
2 that you read -- let me finish the question -- that you read
3 on the plane and the document -- let me start this way.

4 Were there any differences that you recall that were
5 other than grammatical between the draft you prepared and the
6 draft that you read on the plane that McFarlane took with him?

7 A I really don't remember.

8 Q Is it your recollection, if you are able to recollect,
9 is it your recollection that there were substantial
10 differences, that there were minimal differences? Do you
11 have any recollection along those lines?

12 A I don't recall substantial differences.

13 Q Between your conversation with North, Fortier,
14 and Rodman in March of 1986 and the time you left on the
15 plane, did you have any conversations with Colonel North
16 about the structure of the transaction that would take
17 place?

18 I am sorry. Let me ask you another question.

19 I think I may have asked too much. When did you
20 first learn that your trip to Tehran would also include
21 a delivery of Hawk spare parts?

22 A To the best of my recollection, it was in Israel
23 that we were told that it would actually be on the same
24 plane.

25 Q Let me ask that question more broadly. Having

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1 asked it in the context of Hawk spare parts, it may not
2 have been very clear. When is the first ^{time} you learned your
3 trip would also be in conjunction with the delivery of
4 weapons or weapon systems?

5 A I believe McFarlane and I had one meeting with North
6 sometime in April -- and I don't recall the date, but it
7 could probably be determined -- where North discussed in some
8 with some specifics for McFarlane how he saw the sequence
9 evolving and that is what is in the document that I received
10 that was dated August 4 that we think is the one you are
11 referring to, some of these things were laid out there.

12 Q Do you recall in that conversation any discussion
13 of the financing of the deal?

14 A No.

15 MR. VAN CLEVE: Before you go on, I believe you
16 said August. I think you may have meant April 4. You did
17 mean April 4?

18 THE WITNESS: The April 4 document.

19 BY MR. EGGLESTON:

20 Q Between March of 1986 and, say, November 25 of
21 1986, did you ever have any conversation with Oliver North
22 about the financing of the May transfer of weapons to
23 Iran?

24 A The only thing I heard him say was that the --
25 Ghorbanifar and the Iranians were having trouble coming up

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CAS-28 1 with the money that they needed to in order to complete
2 their part of what was necessary for other stages to proceed.
3 Q Do you recall when that conversation was or when
4 you heard Colonel North say that?
5 A I believe it was in this discussion with McFarlane.
6 Q In April of 1986?
7 A Sometime in April.
8 Q You don't recall any other conversation with him about
9 the diversion, about the financing?
10 A No. I was never involved in the financing,
11 any of the technical aspects of this.
12 Q And similarly, did you have any conversations
13 with Mr. McFarlane about the financing?
14 A I never discussed that with them.
15 Q Just so the record is complete, did you have any
16 conversations with Admiral Poindexter about the
17 arrangement?
18 A I never discussed it with Admiral Poindexter either.
19 Q Do you recall anything else about the conversation
20 that you participated -- that you attended between North
21 and McFarlane in April of 1986 about the way the deal would
22 go down?
23 A The way the deal would go down?
24 Q I am sorry. The way the transaction would be
25 structured?

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1 A By that, you are referring to the visit and the
2 delivery?

3 Q Yes.

4 A The one ~~more~~ interesting thing that stuck out in
5 my mind was whether the Israeli Nir would accompany us
6 or not which I viewed as a policy issue. I strongly
7 recommended against his participation. I don't recall
8 exactly, but McFarlane seemed to say he didn't have a
9 strong view one way or the other, but he was willing to
10 think about it.

11 Q Did you know Mr. Nir?

12 A I had met him in the summer of 1985 during the
13 TWA highjacking affair.

14 Q As of the time of the conversation with
15 Mr. McFarlane, did you have any knowledge about Nir's
16 role in the initiative, the Iranian initiative?

17 A North had told me that he had become the
18 Israeli point of contact.

19 Q There comes a time when you actually leave for
20 Tehran. Do you remember when that was?

21 A It is all in there. I think it was Friday,
22 May 23, 7:30 in the morning, something like that.

23 Q I am not going to take you through that trip. You
24 have done memoranda on it. It is in the Tower Commission I
25 think it would be a heads up.

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1 A Thank you.

2 Q Because there are a lot of other sources for that
3 information. I would like to ask some questions about whether
4 various things were discussed.

5 I think you can probably guess what they are.
6 Unless you find this difficult to answer this way, I am
7 really talking about during the course -- I am going to ask a
8 series of questions about things that may have been
9 discussed during the course of all the discussions that were
10 held with the Iranians over the several day time period.

11 And then I would like to ask you about whether
12 various things were discussed separately just among the
13 Americans, not in conversations with Iranians. Do you
14 understand where I am going here?

15 A Yes.

16 Q When I first say was such and such discussed, I mean
17 with the Iranians unless I neglect to make that clear.

18 First, with the Iranians, do you recall any dis-
19 cussion whatsoever about the financing of the transfer of arms
20 in May of 1986?

21 A No.

22 MR. BENNETT: Let me make an observation. I will
23 let him answer over my objection, but he has given these
24 detailed memoranda. I think they would be the best evidence
25 of what was discussed.

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CAS-31 1 He was actually the note taker of what was
2 discussed at all those meetings. That is really the best
3 evidence of what occurred at those meetings.

4 MR. EGGLESTON: I understand.

5 THE WITNESS: To the extent that I heard any
6 discussions between Americans or Iranians, I heard nothing
7 relating to financing.

8 BY MR. EGGLESTON:

9 Q Do you recall at any time the subject of
10 Nicaragua coming up in the conversation?

11 A No.

12 Q Do you recall any discussion of [REDACTED]?

13 A Yes.

14 Q What was the discussion you recall about [REDACTED]?

15 A It is dealt with in detail in my notes.

16 Q Generally, what was it, as best you recall today?

17 A Again, I mean I don't see what is served by getting
18 into a general recollection.

19 MR. BENNETT: If you remember, over my objection,
20 you can answer it. If you don't remember --

21 THE WITNESS: Okay.

22 MR. BENNETT: -- refer him to the notes and stand
23 on your notes. Don't guess.
24 [REDACTED]
25 [REDACTED]

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MR. BENNETT: Mr. Eggleston, I am sure you know the pages by heart, but page B-112 through B-119 contain the notes of Mr. Teicher.

BY MR. EGGLESTON:

Q I did not know the page numbers by heart.

MR. BENNETT: B-112 through B-119.

MR. EGGLESTON: I thank you for that.

MR. BENNETT: He is happy to review them if you want this stuff on the record. I am a little troubled about on such an important issue that he be generalizing on something where specifics are so important.

MR. EGGLESTON: Right. I think the record is fairly clear I am asking what he today recalls about those conversations. His recollection may be better in certain areas than it was then, maybe things were not in the notes that were discussed.

I think I am entitled to know if things were discussed that are not in the notes.

MR. BENNETT: I will allow him to answer over my objection.

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BY MR. EGGLESTON:

Q I sort of lost my train of thought.

A You asked me --

MR. BENNETT: No. No. I want to be helpful here.

Answer his questions. Don't tell him what his questions were.

BY MR. EGGLESTON:

Q Was there any -- let me get my train back.

You returned from the trip to Tehran and the President is briefed. Did you participate in the briefing of the President?

A Yes.

(Discussion off the record.)

BY MR. EGGLESTON:

Q The Tower Commission has reported that according to Mr. McFarlane, Oliver North told Mr. McFarlane "on the tarmac at the Tel Aviv Airport after the trip to Tehran in May of 1986 that 'This Government is availing itself of part of the money (from the Iranian initiative) for application to Central America.' "

Were you present during that conversation?

A No.

Q Did Colonel North ever say anything about the Government availing itself of part of the money from the Iranian initiative for application to Central America during

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CAS-34 1 the course of that trip?

2 A NO.

3 Q Any time from May of 1986 to November 25 of 1986,
4 did he ever say anything to you about part of the money from
5 that transaction going to Central America?

6 A NO.

7 Q After returning from the trip, I think you
8 indicated that the President was briefed, and I know you have
9 testified about this. I am not going to go into it in any
10 detail.

11 Again, was the President briefed on the
12 financing of the transaction?

13 A NO.

14 Q Did you remain active in what has now been called
15 the Iranian initiative after returning from Iran?

16 A NO.

17 Q In July of 1986, another hostage was released.
18 Did you have any role -- how can I phrase this? Did you have
19 any role in the release of that hostage? Did you have
20 negotiations or discussions about how to get him released
21 during the summer of 1986?

22 A NO.

23 Q Did you know whether conversations with -- and
24 negotiations with the Iranians were continuing through the
25 summer of 1986?

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1 A I was not aware of what was going on.

2 Q There is another transaction which takes place
3 at the very end of October of 1986 where an additional 500
4 TOWs was shipped from Israel to Iran at or about the time
5 that that transaction took place -- and when I say "about",
6 I mean prior to the early November story in the Beirut
7 newspaper -- were you aware that that transaction had taken
8 place?

9 A No.

10 Q There comes a time when the story is released, and
11 there is a story about the Tehran trip released in the
12 newspaper -- or excuse me, that Beirut magazine. I think
13 it was a magazine, not a newspaper. That takes place, as I
14 recall, in early november of 1986; is that correct?

15 A Yes.

16 Q Sometime in the middle of November, the
17 President makes a speech to the Nation. Did you have any
18 role in the preparation of materials for that speech?

19 A Yes, I did.

20 Q And what materials was it that were prepared
21 for that speech that you[#] had a role in preparing?

22 A His remarks.

23 Q And who was the principal drafter, if you know, of
24 His remarks?

25 A Colonel North.

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Q And what role, if any, did you have?

2

Did you review it?

3

Did you participate in it? In what fashion?

4

A Along with several other people, I was asked to

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comment on it, perhaps make inputs, deletions, what I would

6

call normal staffing responsibility for presidential

7

remarks. Speechwriters were also involved, official speech-

8

writers, I believe Pat Buchanan was involved. I am sure

9

Don Regan was involved. John Poindexter, Alton Keel,

10

Bud McFarlane, Greg Coy, Bob Earl. I do not know whether

11

people from other agencies were involved or not.

12

Q Did you see the initial draft? Did Colonel

13

North release the initial draft? Did he prepare the

14

initial draft of the remarks, if you know?

15

A I believe he did.

16

Q Did you see the initial draft that Colonel

17

North prepared?

18

A I am not sure I saw the initial draft or not.

19

Q Were you -- you have given a list of a number of

20

people who have -- who had some role or who had read the

21

speech or whatever. Were you one of the principal people

22

responsible for preparing the President's remarks?

23

MR. BENNETT: What do you mean by "principal"?

24

That means -- that may mean one thing to you, one thing to

25

me, and ten other things to ten other people. I would prefer

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1 if you asked him what his role was.

2 BY MR. EGGLESTON:

3 Q What was your role?

4 A As I described it.

5 Q Did different people have different degrees of
6 participation in the preparation of the remarks?

7 A I am sure they did, but I don't believe that I can
8 assess who wrote how many words or paragraphs or pages.

9 Q You would know whether you were one of the two or
10 three people in the room with Colonel North going over the
11 successive drafts or whether you were a person who saw it
12 once and didn't see it again?

13 A I saw it more than once.

14 Q Did you actually make changes to the draft?

15 A I am sure I did.

16 Q Did you participate in the conversations with
17 Colonel North about the draft?

18 A I am sure that we talked about it.

19 Q Do you recall what it was that you discussed with
20 him about the draft?

21 A No.

22 Q You don't recall?

23 A (Indicating.)

24 Q The speech, as I recall, then led quite quickly to a
25 press conference, is that your recollection? I will delete

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1 quite quickly.

2 A I don't recall the exact dates. I am sure you can.

3 Q Within several days after the speech, there was a
4 press conference?

5 A Yes.

6 Q Did you also participate in the preparation of the
7 President for the press conference?

8 A I helped prepare a couple of questions and answers.

9 Q Do you recall which questions and answers you
10 prepared?

11 A No, I do not.

12 Q Do you recall the areas that you were asked to --

13 A What I would have written about or contributed
14 to would have dealt with the general Middle East subjects,
15 general issues relating to U.S. interests in Iran. That sort
16 of material as well as things relating to the trip that I
17 participated in.

18 Q You indicated that you also participated in the
19 preparation of the chronology?

20 A (Witness nodding head.)

21 Q Were you assigned by someone to participate in the
22 preparation of the chronology?

23 A Admiral Poindexter.

24 Q Who else was assigned to participate in the
25 preparation of the chronology?

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1 A Colonel North was given the primary responsibility
2 and I believe the CIA was asked to contribute. But it was
3 Colonel North's action.

4 Q And how was the chronology prepared?

5 A How was it prepared? Different people over a period
6 of time worked on different parts of it.

7 Q Did you work on any part of it other than the
8 parts about which you had direct knowledge?

9 A No.

10 Q Which parts of it, if you recall, did you participate
11 in?

12 A The first part, which at least with the version that
13 I worked on dealt with the importance of Iran in global
14 terms, relationships that other countries have with Iran and
15 their recommendations to us that we work with them. The Soviet
16 dimension, some research on the consequences of
17 Brzezinski's meeting with Buzargon in Algiers and the
18 sensitivity of arms to U.S./Iranian relationship.
19 General Iranian/U.S. issues.

20 Q Did you also participate in the preparation of the
21 part of the chronology with your trip?

22 A I looked at that. I don't believe that I had much
23 of an input to it. But I did look at that.

24 Q The Tower Commission Report indicates that there
25 was a dispute about a particular section of the report

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1 or of the chronology and that is the section dealing with
2 August -- July/August of 1985 and a dispute relating to
3 what the President knew, when he knew it. Did you have
4 any role in the preparation of that part of the chronology?

5 A No. I did not.

6 Q Did you participate in discussions about how that
7 part of the chronology should be drafted?

8 A I did not participate, although I heard people
9 talking about it.

10 Q Who did you hear talking about it?

11 A Mr. McFarlane, North.

12 Q Did you hear that on one occasion or more than one
13 occasion? #/

14 A I reall don't recall.

15 Q As best you recall, what do you recall them
16 discussing about that issue?

17 A Just that they had to write it up and that -- they
18 were searching for the words to characterize how it had been
19 decided and when I saw it, afterwards, I was struck by the
20 careful drafting that I saw that didn't say the President
21 had approved it, but said that Israel would be
22 re-supplied and one can interpret things various ways. I had
23 no direct knowledge of that.

24 Q Did you ever discuss with Colonel North the careful
25 way in which it had been drafted?

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- 1 A No.
- 2 Q Or with Mr. McFarlane?
- 3 A No.
- 4 Q Or with Mr. Poindexter?
- 5 A No.
- 6 Q On November 21 of 1986, Mr. Casey testified before
- 7 various Senate and House Intelligence Committees. Were you
- 8 aware that he was going to testify before the Intelligence
- 9 Committee?
- 10 A Probably, but I don't recall exactly.
- 11 Q You participated in the briefings of the
- 12 congressional leaders; is that correct?
- 13 A No, I did not.
- 14 Q You did not?
- 15 A No. If I recall it was only Admiral Poindexter.
- 16 But I did not participate, so I don't know who actually
- 17 physically was in the room, but it was not me.
- 18 Q Between November 21 -- between November 20, 1986,
- 19 and November 25, 1986, did you have occasion to see
- 20 Colonel North?
- 21 A I am sorry. Could you repeat?
- 22 Q November 20 of 1986 and November 25 of 1986,
- 23 did you have any conversation with Oliver North?
- 24 A I am sure I talked to him at one point or the
- 25 other.

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1 Q Let me just for your information, in case these
2 dates are not in your head, November 25 was the day of the
3 Meese press conference.

4 A The 25th?

5 Q The 25th. It was the day that North was fired and
6 the day Poindexter resigned. It was a Tuesday. Did you
7 work over the weekend, if you recall, the weekend of the
8 22nd and 23rd?

9 A I don't believe I went in on that weekend.

10 Q Do you recall whether or not you spoke to Colonel
11 North on the 24th, Monday the 24th?

12 A I don't believe I did.

13 Q Do you know whether you spoke to him on the 25th?

14 A I think I saw him briefly at the staff meeting that
15 morning or after the staff meeting.

16 Q And do you recall what occurred at the staff
17 meeting?

18 A No.

19 Q Was there an announcement -- this is Tuesday the
20 24th now?

21 A I believe so. Yes.

22 Q Was there an announcement at the staff meeting that
23 Colonel North had been fired?

24 A No.

25 Q Did Admiral Poindexter attend the staff meeting?

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1 A I don't recall.

2 Q Since November 25 of 1986 to the present, have you

3 had any conversations with Oliver North?

4 A I bumped into him on the street and said hello.

5 Q Did you have any additional discussion other than

6 saying hello, how are you doing?

7 A No.

8 Q Have you had any conversation since November 25,

9 1986 to the present with Admiral Poindexter?

10 A Rather a brief photo opportunity he held with all

11 members of the staff to say goodbye.

12 Q And again I take it the conversation --

13 A Strictly --

14 Q -- was at the chit-chat level?

15 A Yes.

16 MR. EGGLESTON: Let me mark these -- let me not

17 mark these.

18 BY MR. EGGLESTON:

19 Q Before I mark these, are these your notes?

20 MR. BENNETT: You are handing him a 25-page

21 document. I am not complaining about that. He is ready to

22 answer --

23 BY MR. EGGLESTON:

24 Q Let me ask you to look at page one of the

25 document. Do you recognize whether or not that is your

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1 handwriting?

2 A That is not my handwriting.

3 Q Okay. Then that is enough. Then I will ask you
4 not to look at the rest of it and I will take it right back.

5 Do you know whose handwriting it is?

6 A No.

7 MR. EGGLESTON: Cut out some questions.

8 (Discussion off the record.)

9 BY MR. EGGLESTON:

10 Q I take it you have a PROF system in your office?

11 A Yes.

12 Q Did you have a method of communicating directly
13 with Admiral Poindexter through the PROF system?

14 A No.

15 MR. BENNETT: I can see why you are asking that
16 question.

17 BY MR. EGGLESTON:

18 Q Is there a secret cache of PROFs you would like to
19 reveal to us? You don't have to answer that.

20 A I should just say --

21 MR. BENNETT: There is no question pending.

22 THE WITNESS: No question pending. As a follow-
23 up, just for the record, if Poindexter sent anyone a note,
24 a question, you could reply directly to him. But I had
25 no system. I didn't want to give you the question no one.

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1 could ever communicate directly.

2 If he sent Neal Eggleston a note, Neal Eggleston
3 could reply without it going through someone.

4 BY MR. EGGLESTON:

5 Q If he sent me any note, if he sent me a note that
6 said "let's go to lunch tomorrow", could I then always use that
7 note and respond to him directly? Do you know what I mean?

8 A You could store it --

9 Q The computer doesn't know why --

10 A Theoretically you could.

11 Q I take it, though, to do that without authorization
12 would be a pretty gross abuse of the system?

13 A I think at a certain point you would --

14 Q Lose your PROF rights?

15 A He would tell you to stop it.

16 MR. EGGLESTON: I don't think I can release these
17 to you. I will show it to you. You can read it fully. But
18 just because we are in a deposition status, I am not going to
19 give you this note when this thing is over. For whatever
20 it is worth, may I have this marked HT-2.

21 (Whereupon, the document referred
22 to was marked for identification as
23 HT-2).

24 BY MR. EGGLESTON:

25 Q Let me show you what has been marked HT-2 with

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1 today's date.

2 A I am trying to remember who SGB was. Yes.

3 Q Do you recall sending that note?

4 A Well --

5 Q I don't care about that. Do you recall the
6 general subject?

7 A Yes. The Swiss number two from their foreign
8 ministry, I believe Alway Bruenner was in Washington for an
9 official visit for some reason or other. I believe he was
10 going to meet, to the best of my recollection, with
11 Dr. Keel and Tyrus Cobb, NSIC here, was the action officer
12 for the meeting. He asked me for input to his briefing
13 memorandum that he was preparing for Dr. Keel regarding
14 Switzerland and Iran.

15 Q What problem had arisen with Switzerland as a result
16 of Iran?

17 A There was no problem. This was actually a
18 flattery talking point, stroking, we would say.

19 Q Okay.

20 A Telling them what a great job they are doing as
21 our protective power, we really need you guys, we know
22 times are hard, but we want you to hang in there and keep
23 working with us.

24 Q As of the date of this memorandum, did you know
25 that Swiss bank accounts had been used in the financing of the

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1 arms transactions?

2 A No.

3 Q So nothing in the document -- excuse me -- with
4 relation to Switzerland, has anything to do with the use of
5 Swiss bank accounts?

6 A No. Not at all.

7 (Whereupon, the document referred to
8 was marked for identification as
9 HT-3.)

10 BY MR. EGGLESTON:

11 Q Let me show you --

12 MR. BENNETT: These will, however, be attached to
13 the deposition.

14 MR. EGGLESTON: Yes.

15 MR. BENNETT: So when he reviews it -- he has
16 five days to review it?

17 MR. EGGLESTON: Yes.

18 BY MR. EGGLESTON:

19 Q What is that -- let me ask you. Just so there is
20 a question on the record. Let me show you what has been marked
21 HT-3. Do you recall sending that PROF?

22 A Yes.

23 Q What does it refer to?

24 A A memorandum being prepared, I believe -- it was a
25 response to a proposed input from Colonel Earl relating to

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1 this memo, system 290784 that I was drafting which was to
2 prepare the President for a meeting with his national
3 security planning group regarding what we might do,
4 I mean -- it was a very straightforward memo. One suggestion
5 that North made was that Bush should go to the Middle East as
6 a special envoy to, you know, soothe people, et cetera, et
7 cetera.

8 To the best of my recollection, this is what I was
9 responding to and I was a little bit takenaback, ergo,
10 "wants this hummer" to be the one to have to tell the Arabs
11 how we love them.

12 I am sure you could get that system two memo and see
13 that was the meeting with the President.

14 MR. BENNETT: Do you have objections to him
15 seeing these other memos?

16 MR. EGGLESTON: Actually, I do.

17 (Whereupon, the document referred
18 to was marked for identification
19 as HT-4.)

20 BY MR. EGGLESTON:

21 Q Let me show you what has been marked HT-4. I
22 ask you and your counsel to read it.

23 A Yes. Your question is?

24 Q My question is that memorandum, that PROF note
25 makes a reference to notes which were in your possession which

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1 you were not immediately going to provide to whomever
2 it was who was asking for them?

3 A Right.

4 Q Did you ever provide those notes?

5 A Yes, I did.

6 Q That is the extent of my question.

7 Do you know a man by the name of [REDACTED]?

8 A Yes. I do.

9 Q I take it you were involved in a project with
10 [REDACTED]?

11 A That is correct.

12 Q I am not going to ask details about that project
13 with [REDACTED] except to ask you did your project
14 with [REDACTED] have anything to do with the Iran
15 initiative?

16 A To the extent that I am aware or that I was
17 involved, it had nothing to do with the Iran initiative
18 we have been discussing today.

19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]

24 Q Did it have anything to do with the contras?

25 A It had nothing to do with the contras.

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1 MR. EGGLESTON: I will leave it at that.

2 BY MR. EGGLESTON:

3 Q Let me ask you questions about the contras. I
4 anticipate from what you have said earlier your response
5 to these questions will be no, but just so the record is
6 clear, I am going to go ahead and ask them.

7 I am asking about your knowledge of various
8 people and various organizations and companies prior to
9 November 25 of 1986. I am not interested in anything you
10 might have learned from reading in the newspaper which is
11 why I am using that as a date. So up to the time period,
12 say, November 25 of 1986, had you ever heard of Lake
13 Resources?

14 A No.

15 Q Had you ever heard of a company called Udall?
16 U-d-a-l-l?

17 A That is the first I heard of it right now.

18 Q There is a company called Hyde Park Square
19 Corporation?

20 A No.

21 Q A company called Toyco?

22 A No.

23 Q Ever heard of a company called Dolmy Business?

24 A No.

25 Q Let me ask you about some individuals. Do you

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1 know a man by the name of Carl Channell, whose nickname is
2 Spitz?

3 A No. I am assuming you are continuing this
4 prior to the revelations?

5 Q Yes.

6 A In November? No. I had never heard of
7 Mr. Channell.

8 Q I am not interested in whether or not you have
9 read about Channell in the Washington Post since then.

10 A Since.

11 Q Did you know a man during this time period by the
12 name of Richard Miller?

13 A No.

14 Q A company called International Business
15 Communications?

16 A No.

17 Q A company -- a man named Robert Owen?

18 A No.

19 Q Did you during this time period know a man by the
20 name of Richard Secord?

21 A Yes.

22 Q How did you know Richard Secord?

23 A I met Richard Secord in 1981 when he became my
24 supervisor at the Department of Defense as the Deputy
25 Assistant Secretary of Defense.

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1 Q Was he your immediate supervisor?

2 A No. There was an office director inbetween us.

3 Q When is the last time that you spoke with

4 Mr. Secord?

5 A I saw him briefly in November when he was in North's

6 office working on something relating to this affair.

7 Q Do you recall approximately when it was in November?

8 Since you are not going to remember the day, I suspect,

9 maybe with reference to the speech, the press conference.

10 If you don't recall the day, it might be helpful to place it

11 with regard to an event, if you can.

12 A I believe it was in relation to the

13 preparation of the chronology.

14 Q Did the preparation of the chronology take place

15 after the President's speech?

16 A No. I believe it took place over a period of

17 weeks, leading up to the speech.

18 Q It continued, though, after the speech?

19 A I don't know.

20 Q If you know?

21 A I don't know.

22 Q So it is your recollection that Mr. Secord was in

23 Mr. North's office prior to the President's speech?

24 A Yes.

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1 My answer is, yes, he was in his office. I
2 couldn't say that it was specifically before, during,
3 after the speech, but I believe it was in relation to the
4 preparation of the chronology.

5 Q And did you speak with him on that occasion?

6 A I think I said hello.

7 Q No more substantive conversation?

8 A No substantive conversation with him.

9 Q Did you see him in Colonel North's office during
10 November of 1986 on more than one occasion?

11 A I might have seen him there one other time.

12 Q During November of 1986?

13 A Yes.

14 Q How many times in 1985 and 1986 did you see--
15 first see Richard Secord?

16 A I don't recall seeing him at all in 1985. In 1986,
17 I first saw him in Tel Aviv.

18 Q This was in May?

19 A May. Both coming and going. That was aside
20 from this very limited encounter in November that I mentioned
21 before. I don't recall any other meetings with Secord.

22 Q Did you ever--starting with 1986--did you ever
23 speak to him in 1985?

24 A You mean like by the phone?

25 Q By the phone or something.

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bp-2

1 A No.

2 Q In 1986 by the phone?

3 A No.

4 Q Did you otherwise see him?

5 A No.

6 Q And just so that I am clear, how about 1984,

7 either see or speak to Secord?

8 A I don't recall seeing him.

9 Q Do you know a man by the name of Robert

10 Dutton, D-U-T-T-O-N?

11 A No, I don't.

12 Q Richard Gadd?

13 A No.

14 Q John Cupp, C-U-P-P?

15 A No.

16 Q Edward De Garay, E. Garay?

17 A No.

18 Q Do you know a man by the name of Felix Rodriguez?

19 A No.

20 Q Rafael Quinteros?

21 A No.

22 Q ~~Ramon~~ Madena?

23 A No.

24 Q In 1985 or 1986, were you ever in Central America?

25 A No.

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1 Q During the period of time that you were assigned to
2 the SC or working at the NSC, did your responsibilities ever
3 include Central America?

4 A No.

5 Q In 198--other than--excuse me.

6 Did your work for the National Security Council
7 require you to travel to Europe?

8 A Only in relationship to MiddleEast activities.

9 Q Have you ever been to Lisbon?

10 A Only on personal vacation.

11 Q Were you in Lisbon in 1985 or 1986?

12 A I guess it was returning from a personal holiday in
13 Morocco. We transited Lisbon^b in December of-- well, it must
14 have been 1984. It must have been December of 1984.

15 Q Do you know a man--

16 A It was strictly a personal holiday with my family.

17 Q Do you know a man by the name of Tom Clines?

18 A No.

19 Q Have you ever heard of a company called Defex,
20 D-E-F-E-X?

21 A No.

22 Q Other than the occasion when you went to T^ch^cran
23 in an airplane carrying weapons, to your knowledge, have
24 you had any other involvement in the transportation of
25 weapons to Iran.

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1 A I would suggest for the record that what was on
2 the plane was electronics spare parts, which you may choose
3 to describe as weapons, but I would not.

4 Q Okay.

5 A To the rest of your answer, no.

6 Q Do you know of a company called Stanford Technology?

7 A Again returning to the assumptions you laid out,
8 no. No, I was not aware of Stanford Technology.

9 Q Are you--and again this is during the time
10 period, and I am almost done--during the time period prior
11 to November of 1986, did you have any knowledge of a
12 company called Southern Air Transport?

13 A No.

14 Q Did you have any involvement either in 19--

15 A Well, I think that the Hasenfus affair occurred
16 in October. That is when the first word of Southern Air
17 Transport was made public. So I would say at that point in
18 time, in October, I heard of Southern Air Transport for
19 the first time.

20 Q Have you ever been in the United States Air
21 Force Base in Lisbon?

22 A No.

23 Q Have you ever been involved in transporting
24 radar tubes to Iran?

25

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1 A Radar tubes?

2 Q Yes. Sounds a little specific, doesn't it? No,
3 I take it?

4 A No, to the best of my knowledge. I don't know
5 whether they--there were radar tubes in the crate on the plane.
6 To the best of my knowledge, no.

7 Q Let me take a second to look over my notes. I
8 think I am done asking questions.

9 (Discussion held off the record.)

10 MR. EGGLESTON: I have nothing further.

11 BY MR. VAN CLEVE:

12 Q Off the record.

13 (Discussion held off the record.)

14 BY MR. VAN CLEVE:

15 Q Ready to proceed, Mr. Teicher?

16 A Yes, sir.

17 Q I have a series of questions that are all
18 connected in a general sort of way, and I hope they will
19 help me with this because I am not very familiar with some
20 things that I think you are quite familiar with.

21 I guess I would like to start off by talking
22 about the general process that is used to prepare special
23 national intelligence estimates.

24 Again, if I ask a question that you think is
25 missing something obvious, or has a faulty premise, I hope

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1 you will just tell me. I really don't know very much about
2 this process, but it is my general understanding that
3 periodically the Central Intelligence Agency issues
4 National Intelligence estimates.

5 A Yes.

6 Q How often are those done?

7 A I don't know.

8 Q Roughly how often would they be done?

9 A It depends on the issue and the request that
10 might come from the Director of the CIA, the State
11 Department, the Secretary of Defense, the President,
12 the NSC advisor.

13 Q How many might there be in an average year?
14 You read a number of these things, I am sure.

15 A I have read those that deal with the Middle
16 East. I honestly don't know what the global--

17 Q Take the Middle East, for example.

18 A There could be anywhere from three or four to
19 10. Some long, some short.

20 MR. BENNETT: Off the record.

21 (Discussion held off the record.)

22 MR. VAN CLEVE: Back on the record.

23 BY MR. VAN CLEVE:

24 Q So in the case of the Middle East, my recollection
25 of your answer to my last question was there are sometimes

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1 three to four to 10 national intelligence agency estimates
2 issued in any given year?

3 A I hope the record shows I honestly don't know
4 what the exact numbers are.

5 Q I am looking for an approximation.

6 A Several a year.

7 Q In the case of a special national intelligence
8 estimate, during the time you spent at the NSC in the Middle
9 East directorate, which I gather was a period of about
10 roughly four years, how many of those were prepared on the
11 Middle East?

12 A I really don't remember.

13 Q Can you say whether it was more than two?

14 A I am confident there were more than two, but I
15 would be guessing.

16 Q More than 20?

17 A I don't know.

18 Q Can you tell me with respect to the process for
19 the preparation of special national intelligence estimates--
20 which I will call SNIEs from now on for the reporter's
21 sake--is the process by which those are prepared? Is
22 there one general process?

23 A I would respectfully request that you ask the
24 Intelligence people what the correct procedures are,
25 because I am not familiar with the exact procedures.

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1 Q Again, please help me out here. I thought that
2 you said earlier that they were sometimes issued as a
3 result of a request from the NSC; is that correct?

4 A That is correct.

5 Q Is that the only way in which they are prepared?

6 A I believe that other departments can also ask
7 that SNIEs be prepared.

8 Q If you know, is it generally the case that someone
9 makes a request for their preparation, an agency makes
10 a request?

11 A I am not sure whether the intelligence community
12 itself cannot because of its perception of the problem,
13 generate a SNIE as well as wait for requests from other
14 agencies. Again, I would refer you to the experts in the
15 intelligence community. Whether it is State, NSC, CIA,
16 there is a national intelligence officer for estimates.

17 It might be useful for you to call him down
18 to give--

19 MR. BENNETT: Excuse me. Just answer his questions
20 if you know or don't know.

21 THE WITNESS: The national intelligence officer for
22 estimates would know better than anyone.

23 BY MR. VAN CLEVE:

24 Q Thank you for that. I appreciate that.

25 My understanding is that in late August of 1984,

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1 I believe you testified that the National Security Council
2 requested such a SNIE with respect to Iran; is that
3 correct?

4 A I don't believe that is what I said. I believe
5 it was a national intelligence estimate in the summer or
6 fall of 1984 that was prepared and in the spring of 1985,
7 we requested an update which led to the SNIE.

8 Q Were you at all involved then in the fall of 1984
9 with the national intelligence estimate that was prepared
10 at that time?

11 A No.

12 Q Excuse me?

13 A No.

14 Q No.

15 As a general matter, if a national intelligence
16 estimate that fell within your general purview-- the subject
17 matter of which would fall within your general purview
18 at the NSC was being prepared, would you be consulted during
19 the course of its preparation?

20 A Not necessarily.

21 Q But on occasion were you consulted?

22 A On occasion, yes.

23 Q During the preparation of the 1984 national
24 intelligence estimate on Iran, were you consulted?

25 A No.

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1 Q Were you involved with a request in the spring
2 of 1985 for an update on the 1984 national intelligence
3 estimate?

4 A Yes.

5 Q Could you please describe your involvement in
6 making the request for the update?

7 A The request was staffed, I believe, by
8 Mr. Canestrero, and I don't recall the specifics of discussion
9 we had relating to it, but as the intelligence officer, it
10 was his responsibility.

11 Q If I could translate that into what I understand
12 you said into English, you would not have been directly
13 involved in making the request to the CIA?

14 A That is correct.

15 Q You would have gone to Mr. Canestrero and
16 said, "We would like such an update. Could you please
17 arrange to have it done?" Is that basically the way it
18 would have happened?

19 A Yes.

20 Q Is that the way it in fact occurred with respect
21 to this update?

22 A To the best of my recollection.

23 Q I see. Did you, yourself, then have any feelings
24 with the CIA during the preparation of the update?

25 A I spoke only with Graham Fuller.

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- 1 Q Who is Graham Fuller?
- 2 A The national intelligence officer for the Middle
- 3 East.
- 4 Q Could you describe--and I apologize. I just
- 5 don't know--the function of a national intelligence officer
- 6 for a particular area, such as Graham Fuller? In general
- 7 terms.
- 8 A I have never fully grasped the structure of the
- 9 national intelligence officers and their relationships with
- 10 the regular intelligence and analyses or operational
- 11 directorates, so again I think you are better off asking
- 12 someone else.
- 13 Q But you do know Graham Fuller.
- 14 A Oh, yes.
- 15 Q And you did deal with him at the time that the
- 16 update for the national intelligence estimate was being
- 17 prepared in the spring of 1985?
- 18 A We had intermittent discussions about Iran and
- 19 his memorandum, his ideas.
- 20 Q Was this--excuse me. You weren't finished.
- 21 A That were prepared in the course of interagency
- 22 work on the question.
- 23 Q Let me back up just very briefly. Was ^{Graham}~~Graham~~
- 24 Fuller involved in the interagency review of Iran that
- 25 took place during 1984?

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1 A I believe he was.

2 Q Did you deal with him at that time?

3 A I dealt with him at that time more on Syria, Syrian
4 matters relating to the situation in Lebanon. But I am
5 sure I also spoke with him about Iran.

6 Q And so would you have had occasion to discuss the
7 NSDD that was prepared at the end of 1984, with Mr. Fuller?

8 A The NSDD-- you mean the State Department produced
9 version?

10 Q Yes.

11 A We may have discussed it. I don't recall.

12 Q At that time or later?

13 A Later 1984, early 1985.

14 Q As I believe you are aware, we have received a
15 copy of a memorandum written by Graham Fuller and dated May 17
16 1985 to the Director of Central Intelligence. To your
17 knowledge did you discuss that memorandum with Mr. Fuller
18 prior to its preparation?

19 A Yes.

20 Q And can you tell us the nature of those discussion
21 in as much detail as you can recall?

22 A We discussed the problems and vulnerabilities of
23 policy and the limited leverage that we had in the event
24 that a succession struggle developed in Iran, and he
25 proposed that based upon his analysis of the situation, one

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1 step, which might give us some leverage in the future
2 would be permitting other countries on a limited basis,
3 case by case basis, to make arms available to the Iranians
4 as a way to give them the sense that other countries besides
5 the Soviet Union existed as alternative sources of supply.
6 And, Graham suggested all this to me.

7 I said that is all very interesting, but I believe
8 for the integrity of the process, the CIA should write this
9 down if you think it is appropriate and distribute it, which
10 he did.

11 Q Was there any further discussion at the time?

12 A No.

13 Q If you know, did Mr. Fuller come to you to discuss
14 this matter?

15 A We discussed it in my office.

16 Q In your office?

17 A I think he came [#]to me.

18 Q Did he make an appointment to see you?

19 A Yes.

20 Q I see, and about when would this have been?

21 A I don't recall exactly when. March, April--
22 perhaps in May.

23 Q of 1985?

24 A Yes.

25 Q Was there any other discussion at that meeting

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1 other than what you have just described for us?

2 A No. We might have had another discussion about
3 other things that we saw happening vis-a-vis Soviet-
4 Iranian relations, Soviet activism, but a general analytical
5 discussion is what I would describe it as.

6 Q Prior to that meeting, do you believe Mr. Fuller
7 would have been aware of your general views on this
8 subject?

9 A Yes, I may have been.

10 Q So when he approached you to discuss the
11 subject further in the spring of 1985, what was his purpose?
12 What did he ask you to do?

13 A I believe his purpose was to work with me to
14 try to find ways that we could improve our leverage in
15 Iran in the event of a succession struggle and, therefore,
16 be better positioned to compete with the Soviet Union
17 for influence.

18 Q So the record is clear, this all took place--
19 this meeting and discussion you have described-- prior to
20 Mr. Fuller's memo?

21 A That is correct.

22 Q And also prior therefore to the draft NSDD which
23 was produced under cover of a memorandum June 17?

24 A That is correct.

25 Q I believe you said that as a general proposition

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1 you were not consulted during the preparation of national
2 intelligence estimates; is that correct?

3 A That is correct.

4 Q And yet Mr. Fuller would have been involved
5 in the process of preparing national intelligence
6 estimate at the time of this meeting; is that correct?

7 A That is correct.

8 Q Okay. Did it strike you as unusual that he
9 sought you out to have this discussion?

10 A No.

11 Q Could you explain that?

12 A We often discussed policy questions relating to
13 the Middle East.

14 Q You say we?

15 A Mr. Fuller and myself, over a period of years.

16 Q So you knew each other reasonably well, did you?

17 A We had a strictly professional relationship
18 that I think dated to when I joined the NSC staff.

19 Q I see.

20 A We would discuss policy matters as two interested
21 Middle East analysts.

22 Q So you saw this meeting as part of a continuing
23 sort of ongoing professional discussion?

24 A Yes.

25 Q At the time? I see. At that time or at any
other time did you make any request of Mr. Fuller with

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1 respect to what he might put in a memorandum of May 17,
2 1985?

3 A No.

4 Q Or with respect to what he might include in a
5 national intelligence estimate?

6 A I do ^{not} recall making any requests of that type.

7 Q I see. And did he make any suggestions to you
8 as to what you might have included in the draft national
9 security directive?

10 A As we have discussed, he proposed, and I agreed
11 that it was worth the consideration of the principles for
12 them to review the notion of some limited arms sales as
13 a means to convince the Iranians that there was an
14 alternative to the Soviet Union.

15 That was a policy initiative.

16 Q At the time that the meeting you have
17 referred to took place, would it be fair to say that you
18 were both aware based on the interagency work that had
19 been done during late 1984 that the State Department and
20 the Defense Department were both strongly opposed to that
21 policy initiative you just described.

22 A I would not generalize and say Secretary Shultz
23 and Secretary Weinberger. I think there were probably
24 analysts in both departments that didn't totally agree
25 with the views of their principles. But as the guidance was

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1 laid down by Shultz and Weinberger, we understood where
2 they were coming from, yes.

3 Q Would it further be fair to say that you and
4 Mr. Fuller both saw that issue differently than either
5 the Secretary of Defense or the Secretary of State?

6 A I don't believe it is proper to compare me
7 with the Secretary of State or the Secretary of Defense.
8 Fuller and I believed this was a principle potential
9 lever that we should be--that we should apprise our superiors
10 of. Whether they agreed with this or not, we also-- and
11 I certainly have always felt that as an analyst, I had to
12 be honest about what I thought made sense.

13 Just because the principals disagreed did not
14 mean that you shouldn't put before them the pros and cons of
15 potentially disagreement alternatives.

16 Q So to have this clear in my mind, would it be
17 fair to say that you took the view that this was an issue
18 that was important, that even though it appeared you would
19 run into opposition from a couple of cabinet level officials,
20 that it should be pursued to a decision and, in effect,
21 a higher policy-making level?

22 A That is correct.

23 Q This process was a way of getting that done.

24 A This was a formal correct process involving
25 different agencies on a close hold basis.

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1 Q Mr. Fuller agreed with that basic approach of
2 pursuing it through this process?

3 A As far as I am aware.

4 Q I believe you said you have read the Tower
5 Commission Report?

6 A Yes, I have.

7 Q Let me just quote briefly from the report. You
8 are welcome to look at the language that I am about to
9 read for the record if you need to refer to it. It is on
10 page B-8. It is in the first column. About in the middle
11 of that long paragraph in the middle of the page, this
12 is a--apparently a PROF note from Don Fortier to Mr.
13 McFarlane, dated May 28. In the middle of the page it
14 says, "we also just got a bootleg copy of the draft SNIE."

15 Were you aware that the NSC had received what
16 Mr. Fortier refers to as a bootleg copy of the draft SNIE?

17 A Yes.

18 Q Is it common for the NSC to receive bootlegged
19 copies of draft SNIEs?

20 A I don't know whether it is common or not.

21 Q Have you ever before seen a draft SNIE?

22 A Yes.

23 Q On how many occasions?

24 A I really don't recall.

25 Q Would you say that you have seen bootlegged copies

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1 of draft SNIE's often enough so that it is not unusual?

2 A Yes. it is not unusual.

3 Q Not unusual? Okay.

4 You were aware at the time that you received a
5 bootlegged copy of this draft SNIE on Iran; is that
6 correct?

7 MR. BENNETT: Could I ask--I just want to be sure
8 that you are using the word, "bootlegged," the same way
9 he is, the same way that Mr. Fortier is.

10 MR. VAN CLEVE: I will be happy to try to define it.

11 MR. BENNETT: No big deal. I just want to be
12 sure.

13 MR. VAN CLEVE: In general when I use the word,
14 "bootlegged," what I mean is that you received a copy
15 prior to its formal distribution to the people to whom
16 it would normally be distributed?

17 THE WITNESS: That is a fair description.

18 BY MR. VAN CLEVE:

19 Q Was that the case with respect to this draft SNIE?

20 A In this case, I believe it was -- the pentultimate
21 version of this SNIE in double-spaced form.

22 Q So I think the answer is, yes. This was a boot-
23 legged copy, using the definition I just described?

24 A Yes.

25 Q Thank you. Mr. Fortier goes on to say, "We worked

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1 closely with Graham Fuller on the approach. I think it
2 is one of the best yet."

3 When he says, "we," worked closely, who is he
4 referring to there?

5 A I believe it is to himself, me and Graham Fuller.

6 Q Can you tell us anything else for the record about
7 the reference that we worked closely with Graham Fuller
8 on the approach, other than the meeting you have already
9 described for us?

10 A No. I think that sums it up.

11 Q I see. So if I understand you correctly, then you
12 didn't have any other conversations or meetings with Mr.
13 Fuller about the draft SNIE except ~~the~~[#] one about which you
14 have already testified?

15 A I may have talked to him about it on the phone,
16 but I only recall meeting with him at length to talk about
17 the subject of Iran and the SNIE once or twice as I
18 described.

19 Q Well, my recollection is we only talked about
20 one.

21 A One basic meeting with him. He came, called on
22 me, we talked. I said, as I said before, but I certainly--
23 we had a secure phone. It is possible we talked on the
24 phone about it.

25 Q On one occasion?

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1 Q I don't remember.

2 Q But would you recall whether it was on more
3 than one occasion?

4 A I honestly don't remember. Graham and I
5 talked about many subjects often.

6 Q Mr. Fortier says somewhat further on in that
7 same PROF note, "I also think the Israeli option is one we
8 have to pursue, even though we may have to pay a certain
9 price for the help."

10 At the time would you have had any knowledge about
11 what Mr. Fortier was referring to? This is as of late
12 May 1985?

13 A I don't know what exactly he is referring to here,
14 no.

15 Q But at the time, would you have had any knowledge
16 about something called an Israeli option in connection
17 with this?

18 A No. I was not aware of an Israeli option in
19 connection with Iran.

20 Q He goes on to say, "I am not sure, though, we
21 have the right interlocutor." I take it you would not
22 at that time have been aware of what that reference was to?

23 A That is correct.

24 Q Could I ask you to refer to page B-6 of the
25 Tower Commission Report?

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1 I would like to ask you to refer to a footnote
2 down at the bottom of page B-6 and just please read that
3 footnote if you would, to yourself and tell me when you
4 have finished reading it.

5 A Yes.

6 Q You will notice there is a bracketed interpolation
7 that was inserted by the authors of the Tower Commission
8 Report. I wonder if you could tell us whether or not in
9 your view that is accurate.

10 MR. BENNETT: I am sorry. I am not clear.

11 MR. VAN CLEVE: Second line, on May 13, 1985,
12 Fortier formed Poindexter that we have a brackets of the
13 NSDD, question mark.

14 BY MR. VAN CLEVE:

15 Q Would that be a correct interpolation? Would
16 that have been a reference to something else, if you know?

17 A I am not sure.

18 Q It goes on to say, "I asked Howard and Steve to
19 rework it. I will give you a copy of what we have and the
20 suggestions I gave them. We have also done a lot of
21 additional work on outlining requirements for the SNIE."

22 This is only a few days before Mr. Fuller wrote
23 his memo to the DCI on December 17. At this point in
24 the process, why would the NSC be providing additional
25 requirements for inclusion in the SNIE, if that process is

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1 near to being concluded?

2 A I don't know.

3 Q So you weren't involved in the process of
4 outlining additional requirements for the SNIE?

5 A No.

6 Q Are you familiar with the term that is sometimes
7 used to describe an intelligence estimate that may have
8 been influenced by someone's view of a preferred policy
9 outcome that the estimate has been cooked?

10 A Cooked?

11 Q Cooked. Have you heard that term used before?

12 A Yes.

13 Q Has it been used with generally the definition I
14 just gave to it?

15 A Yes.

16 Q Can you tell me whether in your view this SNIE
17 Iran prepared in the spring of 1985 was in any way
18 cooked?

19 A No, I don't believe it was. I would refer you to
20 this letter that was published in the New York Times the
21 other day from Gates to Boren, which explicitly takes issue
22 with the assertion in the Tower Report that it was
23 cooked or that the NSC was involved in the drafting or
24 coordination of the SNIE, that they welcome independent
25 corroboration of the integrity of the estimate process that

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1 was involved in the preparation of this SNIE. So I do
2 not believe it was cooked.

3 Q Thank you for that. I had not seen the letter to
4 the New York Times.

5 A It was published in the New York Times, I
6 believe, on Monday in their Washington page. It was a
7 letter to Boren from Gates.

8 Q Thank you very much. We appreciate having that
9 in the record.

10 #/ During the period of mid June to mid July 1985,
11 if you will recall the draft NSDD was prepared, circulated
12 for comment, and then comments were received and I am
13 not going to ask you to go back over a lot of your prior
14 testimony on this point, but what I did want to ask you
15 about was this.

16 After you received back the divided comments from
17 the cabinet officers and had been told in your words to
18 "stand down" from further work on the NSDD, the draft NSDD,
19 was anything further said to you at the time about the
20 course of policy on the issues that were the subject of the
21 draft NSDD?

22 #/ I don't want to put words in your mouth. Let
23 me just leave the question that way.

24 A Could you elaborate on your question?

25 Q I gather you had a meeting with Mr. McFarlane at

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1 some point where you sort of reviewed the response, if I
2 remember your testimony.

3 A I think what I said was I talked with Fortier
4 and Poindexter. I don't recall talking with McFarlane
5 directly on it.

6 Q You talked to Fortier and Poindexter?

7 A Yes.

8 Q If I understood correctly, they said they had
9 gotten comments, that opinion was divided, and they
10 wanted you to stand down from further efforts on the
11 draft NSDD? Is that basically your testimony?

12 A Again, what I said and what I think is in the
13 Tower Report was that I saw two alternatives. We could
14 force the President to make a decision or we could do
15 nothing.

16 Q What was their response?

17 A Not to prepare a draft decision memorandum for
18 the President and to stand down for now.

19 Q Based on your previous experience with the NSDD
20 process, when that sort of event occurs and no final NSDD
21 is prepared or approved by the President, what is the effect
22 on existing United States policy?

23 A Excuse me. There is no effect.

24 Q That is policy is supposed to remain the same
25 as it was prior to the creation of the draft NSDD?

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1 A As far as I am aware, there is no change.
2 Q Sowould it have been fair for a participant in the
3 draft NSDD process such as yourself to assume at that
4 point in the process that there was not going to be a
5 change in the United States policy?

6 A Correct. That was my assumption.

7 Q Were you ever, after mid July of 1985, asked to
8 prepare another draft NSDD on Iran?

9 A I don't believe so, no.

10 Q So from then up until November of 1986, so far as
11 you knew, there had been no change in the United States policy
12 toward Iran?

13 A Through November 1986?

14 Q Right.

15 A Well, I would say that in March of [#]1986, when
16 I learned of the finding, that clearly superseded--was
17 clearly a new policy.

18 Q Okay. What was your reaction on finding that out
19 in March of 1986?

20 A I really don't recall what my exact reaction was.

21 Q But might it have been along the lines of, "Gee,
22 this seems inconsistent with what happened in July of 1985?

23 MR. BENNETT: You know--

24 MR. VAN CLEVE: I am trying to prompt his recollec-
25 tion.

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1 MR. BENNETT: I object to him answering the
2 question dealing with his reactions--might. It is awfully
3 speculative.

4 BY MR. VAN CLEVE:

5 Q There was a meeting in March 1986
6 during which you were briefed on the covert action finding
7 of January 17, 1986. If you recall, at the time of the
8 briefing or shortly thereafter, did you have any thought
9 concerning the connection between that covert action
10 planning and the work you had done on the draft NSDD in
11 1985? If so, what were your thoughts?

12 A I don't recall what my thoughts were in that
13 regard.

14 MR. VAN CLEVE: I think that concludes my
15 questions. I want to thank you for your time and
16 your helpfulness.

17 MR. EGGLESTON: I have nothing further.

18 BY MR. BENNETT:

19 Q Did you have anything to do with the decision to
20 bring weapons to Iran when you made the trip in May?

21 A No.

22 Q Did you know weapons would be taken on the trip?

23 A No.

24 Q When did you first find out that there were
25 weapons on the plane?

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1 A In Tel Aviv.

2 Q You have testified about a meeting in March in
3 which you were brought back into the process, a meeting
4 with Mr. Fortier and Mr. North; is that correct?

5 A And Mr. Rodman.

6 Q And Mr. Rodman. As best--to the best of your
7 recollection, exactly what was discussed that you specifically
8 remember?

9 A What I specifically remember and what was most
10 significant for me personally was that I was told that if
11 and when McFarlane went to Iran pursuant to the finding,
12 that I would be going with him and that there had been
13 other actions in the past relating to the provision of
14 some TOWs and that the Iranians had used their influence
15 to bring about the freedom of at least Benjamin Weir by
16 that point.

17 Q To the best of your recollection, was there any
18 discussion at that March meeting about the bringing of arms
19 to Iran on the subsequent trip you would take to Iran?

20 A There was no discussion of that level of detail
21 in the March meeting.

22 Q You made some reference earlier in your testimony
23 to there being some general discussion about financing.
24 Could you clarify for me what that was?

25 A As I have stated, I had no operational or

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1 mechanical or logistical role in this initiative. My
2 role was strictly a policy person, a substantive resource.
3 I do have some recollection of the relationship between
4 paying for things and the next trip, but I had no specific
5 detailed or anything more general than that, knowledge of
6 the relationship between financing and other activities.

7 Q Do you remember who it was who mentioned
8 financing or anything to do with financing? Was it you?

9 A It was not me.

10 Q Do you remember who it was?

11 A I believe it was Colonel North.

12 Q Do you recall whether the references were to
13 future things or past things, if you recall?

14 A I believe it had to do with future things, but
15 it is very vague. It was not anything that I had a
16 responsibility for or anything that I worked on.

17 Q Did you at any time have-- play any role in
18 the financing of arms to Iran?

19 A No.

20 Q Did you ever have any role in connection with
21 the logistics of transferring arms to Iran?

22 A I had no role in the logistics of the transfer
23 of arms to Iran.

24 Q Did you have any, in real time, any knowledge or
25 involvement in any manner, shape, or form of the diversion

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1 of funds to the contras?

2 A No.

3 Q Reference has been made to this April--what is it,
4 the April 4 memo?

5 MR. EGGLESTON: Undated. Probably around
6 April 4.

7 MR. BENNETT: The undated memo, probably April 4.
8 We all know what we are talking about.

9 BY MR. BENNETT:

10 Q You may have answered this earlier. When to the
11 best of your knowledge did you see that undated memo that
12 you can say, yes, I see that memo?

13 A In the hearing, the Senate Select Committee on
14 Intelligence.

15 Q Did they let you read the memo at that time?

16 A No. So I am not sure that was exactly the memo that
17 we are referring to.

18 Q What did you do after your testimony before the
19 Senate Intelligence Committee, i.e., after their refusal
20 of showing--giving you that memo or letting you even read
21 it in the hearing?

22 A I made a formal request to White House Council to
23 be provided with a copy of the memo which I believe I have
24 been shown-- had been shown at that hearing.

25 Q And did you subsequently get what you requested--

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1 you may know the question. But he has to--He doesn't
2 know it.

3 Did you subsequently get what purported to be
4 this undated memo of early April?

5 A Yes.

6 Q And have you had the opportunity of reviewing that
7 memo in preparation for your testimony today?

8 A No. Regretably the NSC Council referred to make
9 the arrangements that had previously been agreed upon to
10 allow me to review that and other documents in preparation
11 for this hearing.

12 Q When you--in fact, you reviewed that memo together
13 with me in your office at the National Security Council;
14 is that correct?

15 A That is correct.

16 Q Do you recall that that memo had attached to it
17 something that we have referred to as terms of reference?

18 A The memo that we reviewed in my office? Yes.

19 Q Prior to that time, i.e., in your office, had
20 you ever seen the terms of reference attached to any kind
21 of memo such as the one of early April?

22 A No. Prior to that time I had not seen the terms
23 of reference attached to any memo of that type.

24 Q So is it a fair statement to say that to the best
25 of your recollection, while you may have seen some form of

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1 a term of reference prior to that time, you have no
2 recollection of seeing the memo prior to that time other
3 than at the Senate Intelligence Committee hearing where
4 you couldn't read it; is that a fair statement?

5 A That is a fair statement.

6 Q I want to just clarify your involvement in
7 preparing or participating in the preparing of a
8 chronology. When did the first request come and
9 from whom did it come that everybody was supposed to
10 help prepare a chronology?

11 A The first that I knew of the request was at a
12 meeting in Poindexter's office in early November. Without
13 access to my notes, I can't be specific about the date
14 when he made several assignments to people relating to
15 this affair, and he assigned North responsibility for
16 preparing a chronology and told him to involve anyone else
17 who might be able to contribute.

18 Q Do you recall approximately how many people were
19 in the office?

20 A For that meeting? When Poindexter--there were
21 probably ten or eight people at that meeting.

22 Q How would you describe the process of putting
23 together the chronology? How many people were involved?
24 When did they meet? How did they meet? Can you clarify
25 that?

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1 A I can only provide what I was aware of, which I
2 would say was fragmented and incomplete at best. I
3 witnessed at one point--what I believed to be Secord
4 and Cave in North's office working on it. This is what
5 I referred to before when I said hello to General Secord.
6 Coy worked on it. Earl worked on it. I believe
7 Dr. Keil at one point worked on it. Mr. McFarlane, I
8 believe spent a considerable amount of time working on it.

9 Q Can you estimate approximately how many people
10 would have contributed to the chronology?

11 A I would estimate at least ten.

12 Q Mr. Teicher, when you made your--when you
13 contributed your input to the chronology, did you at
14 any time ever submit any informatin which to your knowledge
15 was incorrect or misleading?

16 A No.

17 Q You said that at some point in time, at some
18 point in time you[#] indicated that you saw something in a
19 chronology, which you considered to be carefully drafted,
20 I think, is the term you used.

21 What were you referring to?

22 A I was referring to the reference in the text
23 to the President not having approved the August actions
24 taken by the Israelis.

25 Q Did that deal with your input to the chronology?

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1 A No. That had nothing to do with any of my inputs.

2 Q To the best of your knowledge, whose input did
3 that deal with?

4 A To the best of my knowledge, that would have
5 had to have involved Colonel North, perhaps Mr. McFarlane,
6 perhaps Admiral Poindexter.

7 Q Just so the record is clear, do you have any
8 personal knowledge that Mr. McFarlane, Admiral Poindexter,
9 Colonel North or anyone else ever knowingly submitted
10 any false information to the chronology?

11 A No.

12 Q What is your answer?

13 A No.

14 Q There have been a number of questions about
15 your discussion with Craig Fuller in, I think, the 1984
16 time frame, 1984--

17 A Craig Fuller?

18 MR. EGGLESTON: Graham Fuller.

19 MR. BENNETT: I am sorry. Graham Fuller.

20 BY MR. BENNETT:

21 Q In connection with what he was doing, do you know
22 whether or not the general issue of "what will we do with
23 Iran when Khomeini dies" was that issue discussed prior to
24 1984?

25 A I am confident it was. Many people in the U.S.

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1 Government often wrung their hands over what the U.S. would
2 do in the event Khomeini died.

3 Q How far back, to the best of your recollection,
4 would you say that was a significant issue that the
5 professionals and experts were talking about?

6 A From my first days on the NSC staff in March 1982.

7 Q Would you describe for me again what exactly
8 your role was regarding the preparation of material for
9 a speech that was to be given?

10 A I would consider myself one of the lesser
11 contributors to a draft, a drafting process that
12 involved several different offices and individuals.

13 Q And who was to give that speech?

14 A The President.

15 Q Did you see all the drafts of the speech?

16 A I don't know whether I saw all the drafts or
17 not.

18 MR. BENNETT: I don't have anything else.

19 MR. EGGLESTON: I have two questions.

20 BY MR. EGGLESTON:

21 Q The terms of reference, you indicated that you
22 saw the final version because you saw it in McFarlane's
23 hands actually on the trip to Teheran; is that correct?

24 A I saw what may have been the final version. It
25 was certainly a version that he took with him on the trip.

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1 Q It was at least the last one. Was there anything
2 attached, to it to your knowledge, at the time you saw it
3 in McFarlane's possession?

4 A No.

5 Q The meeting in early November in Poindexter's
6 office that you said was attended by ten or eight people,
7 can you recall who those ten or eight people were?

8 A I believed Admiral Poindexter, Colonel North,
9 Dr. Keil, Paul Thompson, perhaps Peter Rodman, and perhaps
10 Colonel Earl.

11 The last two--I recall there was some discussion
12 whether Rodman was coming or not. I don't recall. Those
13 were the--probably the ones.

14 Q And yourself?

15 A And myself.

16 MR. EGGLESTON: That is all I have.

17 MR. BENNETT: We don't have anything else, gentlemen.

18 MR. EGGLESTON: Let me just say two or three
19 things for the record. As you know, the committee rules
20 do not provide for you actually to obtain a copy of your
21 deposition. You do have the option--which I take it you
22 intend to elect-- of reviewing the deposition within a
23 certain number of days after the deposition is in fact
24 ready.

25 I will notify you when it is ready. We can make

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1 arrangements for you to pick it up.

2 MR. BENNETT: I would just request the exhibits
3 be included since some of the questions dealt with
4 them.

5 MR. EGGLESTON: We thank you for coming.

6 (Whereupon, at 1:20 p.m., the deposition was
7 adjourned.)

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TESTIMONY OF HOWARD R. TEICHER

Thursday, April 23, 1987

United States Senate

Select Committee on Secret Military

Assistance to Iran and the

Nicaraguan Opposition

Washington, D. C.

Deposition of HOWARD R. TEICHER, called as a witness by counsel for the Senate Select Committee, at the offices of the Select Committee, Room SH-901, Hart Senate Office Building, Washington, D. C., commencing at 10:25 a.m., the witness having been duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

Partially Declassified/Released on 22 DEC 87
 under provisions of E.O. 12958
 by [redacted], National Security Council
 K. JOHNSON

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APPEARANCES:

On behalf of the Senate Select Committee on Secret
Military Assistance to Iran and the Nicaraguan Opposition:

ARTHUR LIMAN, ESQ.

MARK BELNICK, ESQ.

VICTORIA NOURSE, ESQ.

On behalf of Senator Mitchell:

RICHARD ARENBERG, Administrative Assistant

On behalf of the Witness:

ROBERT S. BENNETT, ESQ.

Dunnells, Duvall, Bennett & Porter

1220 Nineteenth Street, N.W.

Washington, D. C. 20037

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C O N T E N T S

WITNESS

EXAMINATION ON BEHALF OF

SENATE

Howard R. Teicher

By Mr. Belnick

4

E X H I B I T S

TEICHER EXHIBIT NUMBER

FOR IDENTIFICATION

1	8
2	13
3	23
3A	34
4	34
5	34
6	34
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9	39
10	39
11	41

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P R O C E E D I N G S

Whereupon,

HOWARD R. TEICHER,

called as a witness by counsel for the Senate Select Committee, having been duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. BELNICK:

Q Howard, would you please state what your positions were with the National Security Council staff

MR. BENNETT: Excuse me. Could I just put one thing on the record before we start?

MR. BELNICK: Sure.

MR. BENNETT: I appear here today as counsel to Howard Teicher. Yesterday Mr. McGrath of the White House called and asked if Mr. Colby, if I had any objection to his being present. I said I did not have any objection, on the condition that it was clearly understood that Mr. Colby was not representing Mr. Teicher and in fact is not in a position to represent him because of the differing interests between my client and the institution which he represents.

Is that a fair statement, Mr. Colby?

MR. COLBY: Yes. I certainly don't represent him in his individual capacity and the only role I have here in the odd instance where Executive privilege might have to be

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invoked on some completely irrelevant issue. That's the only interest I have.

MR. LIMAN: Off the record.

(A discussion was held off the record.)

BY MR. BELNICK: (Resuming)

Q Howard, would you please give us your positions at the NSC?.

A From March 29, 1982 through the last week of May, 1986, I was the junior member of the Near East and South Asia Directorate of the National Security Council staff. At the end of May, when Dennis Ross came on board the NSC as the Senior Director for the Middle East, I transferred to the Political-Military Affairs Division and became the Senior Director for Political- Military Affairs. I separated from the government on March 31st of 1987 and I'm now a self-employed consultant on international affairs.

Q May of which year did you go into the political military office?

A 1986.

Q And what was the responsibility of the Political Military Affairs Division, the overall responsibilities of that division of the NSC structure?

A The basic responsibilities included, for the most part, coordinating security assistance matters that involved notification to Congress of various types of

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military sales programs, foreign aid programs. We had responsibility for coordination of international narcotics efforts within the U.S. Government. We had responsibility for crisis management in the event of unforeseen crises and some analytical work relating to trying to prophesy, if you will, crises and what we might do about it.

We were responsible for any use of military power, exclusive of so-called special operations, and by that I mean a hostage rescue or a special insertion for a covert program. We had no knowledge or involvement, let alone responsibility, for such matters. I would say those are the basic types of issues and there were other issues as well that we were involved in but not responsible for.

Q Was Ollie North in the same division?

A No, Colonel North was in charge of a separate directorate that was wholly apart from my operation.

Q By the same name?

A The name of his office was the Political Military Affairs. His office dealt primarily with terrorism and, to the best of my knowledge, hostilities in Central America. That's the euphemism that is most meaningful.

Q To whom did you report once you went into the Political Military Affairs division?

A At the time I assumed that position, we were in, I guess, somewhat of a state of flux. Don Fortier had been

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hospitalized for cancer. He would have been my immediate supervisor. In his absence I reported either to Admiral Poindexter or, procedurally, to Rodney McDaniel, the executive secretary. But he was not actually my supervisor; it would have been Poindexter or Fortier.

Q Howard, did you attend any national security briefings of the President?

A What do you mean by National Security Council briefings?

Q It's not a term of art. Did you attend any briefings of the President on national security matters?

A The course of my career?

Q Yes.

A Yes.

Q And would that be on a regular basis? On an issue-by-issue basis?

A I would say issue by issue, intermittent.

Q Did you attend any briefings of the President on matters that had to do with the Iran initiative once you were briefed into that compartment?

A As I have testified, the only meeting that I participated in with the President relating to the Iran initiative was the, I believe, May 29th. The morning of our return from the mission we briefed the President. I should say McFarlane briefed the President, with Colonel North and

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myself in attendance. I don't believe I uttered a word, but I did take notes and I recorded a memorandum of conversation which is in the file. That morning was the only meeting I participated in with the President on this subject.

Q Did you ever attend any briefings of the President on matters dealing with Central America?

A No. I did not.

Q Okay. Were you ever asked to undertake any approach to [REDACTED] on the matter of obtaining aid [REDACTED] for the Nicaraguan resistance?

A I'm sorry. Was I ever asked?

Q Were you ever asked by Bud McFarlane or someone else at the NSC to make an approach [REDACTED] to support the Contras?

A When?

Q Let me see if I can help you. This is a copy of a memo which I will ask the reporter to mark as Teicher Exhibit 1.

(The document referred to was
marked Teicher Exhibit Number 1
for identification.)

And, for the record, this memo is dated April 20, 1984, and it's a memorandum for Howard Teicher from Robert McFarlane. I want you to take a look at it.

A I forgot about this.

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(Pause.)

MR. BELNICK: Do you want to go out and speak with Bob? If you want to take the document with you, you can.

(Counsel and witness left the room to confer.)

BY MR. BELNICK: (Resuming)

Q Howard, you've had a chance to review Exhibit 1. Do you recall receiving that memo?

A I don't recall receiving the memo. And I will note for the record that this is exactly among the types of documents, that I repeatedly sent memos to the White House counsel to ask for in preparation for all this and I never received it. So this is the first I've seen this.

Q Listen, don't worry about it. All I want to do is see if you remember these things. This is not an accusatory session or anything like that.

MR. BENNETT: Well, it might help, if you're going to ask him questions about documents for which you have documents, I would appreciate it if perhaps we could see them.

MR. BELNICK: That's what I was doing. I was asking about the general issue and I showed you the document before I asked about it.

BY MR. BELNICK: (Resuming)

Q But do you remember whether or not -- as I understand it, your testimony is you don't recall receiving

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this memo?

A That's correct.

Q Leaving the memo aside, do you recall having a discussion with Bud McFarlane in 1984 about the possibility that [REDACTED] could be approached through [REDACTED] or through anyone in the government about providing some assistance to the contras?

A Yes.

Q Okay, tell us what you recall about that and when it occurred, as best you remember.

A Well, to the best of my recollection -- it's something I must say I haven't thought -- about [REDACTED] I believe in March, I was there [REDACTED]

Q 1984?

A '84 -- a March '84.

[REDACTED] It may have been in late March or early April -- I'd have to check my travel records. [REDACTED]

I recall a phone call from McFarlane where he asked me -- I shouldn't say asked me -- he instructed me to pass a message [REDACTED] from him saying that the U.S.

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government would appreciate help for the contras and that this was to be kept as discreet as possible. And I don't recall being involved in any follow-up, and that's why I don't recall this memo. If I received it, I don't believe I contacted him because we had no means of secure communication.

Q "Him" being?

A [REDACTED] That who [REDACTED] I believe, refers to.

Q Was Bud any more specific about the kind of assistance that the United States Government wanted [REDACTED] [REDACTED] for the contras? Did he tell you what kind of assistance to ask for?

A I believe he asked -- again this was communicated over the phone -- for material assistance and financial assistance.

Q Did he say how much in terms of financial assistance?

A I don't recall any figures.

Q Do you recall what he said about material assistance?

A I don't recall any specifics on material assistance.

Q By material assistance did you understand him to mean weapons?

A I believe the word he used was material assistance

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and I didn't ask him what he meant by it. At least I don't recall asking him.

Q Before we go on with this, the memo refers to [REDACTED] who you believe to be [REDACTED] In parentheses says: As he [REDACTED] has already heard from [REDACTED] Would you understand that to be [REDACTED] probably, Ambassador [REDACTED] [REDACTED]

A I would speculate that it was [REDACTED]

Q Did you speak to [REDACTED] as Bud McFarlane instructed you?

A I don't recall speaking him about this, no. I mean the difficulty would be to call him on an open phone and pass along a message like this would be a breach of security.

Q So your recollection is you did not.

A I don't recall following up with him on this, no.

Q Looking further at the memo, in the last paragraph of Teicher Exhibit 1, McFarlane says "I am a little disappointed. Please let it be known that, in your view, I" -- meaning Bud McFarlane -- "am a little disappointed in the outcome but we will not raise it further."

Do you recall Bud saying anything like that to you and, if so -- you do not?

A This is the extent of what I know about him being disappointed.

Q Do you know what he's referring to?

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A No.

Q Had he asked you on any prior occasion to talk to [REDACTED] about providing some help for the contras?

A No.

Q Had anyone from [REDACTED] ever approached you on the issue of whether they could, whether [REDACTED] could help with the contras?

A No. I don't recall any contact [REDACTED] on that subject.

Q At all, of any kind?

A I don't remember it. It was not anything that I worked on. I believe that McFarlane may have asked me or instructed me to do this because I was there and he chose me to pass the message.

Q Now what I'm going to show you is that we have -- and I only have one copy here -- we have a PROF memo to you from Bud McFarlane dated the same day, at 9:20 in the morning, and I'm going to have that marked and then show it to you as Teicher Exhibit 2 and see if you recall ever getting a PROF memo which is the same text as the hard copy memo that I've placed before you.

(The document referred to was marked Teicher Exhibit Number 2 for identification.)

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The redactions or the blacked out portions of Teicher Exhibit 2 were blacked out when this document was produced to us by the White House and it is, therefore, my assumption that it pertained to matters that are irrelevant to the inquiry. I'll represent to you that as best I can make out the light text, it is light but that's how we got it, Teicher Exhibit 2 is the same as Teicher Exhibit 1, only Teicher Exhibit 2 is in the form of a PROF note to Mr. Teicher from Mr. McFarlane.

MR. BENNETT: And we don't know what the blackouts are?

MR. BELNICK: Forget about the blacked out. I'm not asking about that. This is the PROF note.

MR. BENNETT: We don't know what they are or we don't know what they are?

MR. BELNICK: I do not know what they are.

BY MR. BELNICK: (Resuming)

Q My question is whether looking at the PROF note indeed refreshes your recollection in any way as to whether you received a written message from Mr. McFarlane or whether indeed you received that PROF note.

A I don't recall, and I think we could check with the White House communications agency, but I don't believe the PROF system had been installed in my office at that time and it's possible -- I note here that the message is actually

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addressed to NSWGH which stands for Wilma Hall.

Q His secretary?

A His secretary, and it's conceivable that he sent her the note for her to type it, and the fact that this is not initialed suggests to me that --

Q I think you're right. I think that's probably what happened.

A I don't recall seeing the PROF, no.

Q Just so that I make sure, Howard, that the record is clear, my understanding from what you've said is that you do not recall ever having a discussion with [REDACTED] concerning [REDACTED] assistance [REDACTED] the contras. If I'm wrong, tell me that I'm wrong.

A I do recall that I was instructed and had a brief discussion with [REDACTED] While [REDACTED] passing the message, I was instructed to pass and leaving it at that, and I don't recall conferring subsequently with him, notwithstanding these instructions. I can't say that I may not have discussed it along with other issues. I don't remember it. But I never had, that I can recall, a discussion on aiding the contras beyond that one contact.

Q Now I understand. Tell me what recall saying to [REDACTED] when you were [REDACTED] And it would have been in the same time period.

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A To the best of my recollection that I was instructed by Mr. McFarlane to pass a message from Mr. McFarlane to [REDACTED] saying that the U.S. government -- and I really don't have any recollection of the exact words -- was interested in determining [REDACTED] could provide financial and material assistance.

MR. BENNETT: Can I just confer a minute?

(Counsel conferring with the witness.)

THE WITNESS: That's really as much as I remember. There may have been some other points, but I haven't thought about this and that would have been the thrust of any message.

MR. BENNETT: I was just trying to determine if [REDACTED] had a refreshing recollection or past recollection recorded.

BY MR. BELNICK: (Resuming)

Q What was [REDACTED] reaction to your message?

A To the best that I can recall, he took notes and said he would find a way to communicate with McFarlane.

Q Did you ever hear back from [REDACTED] whether he did speak to McFarlane about this matter?

A I don't recall.

Q Did you ever hear back from anybody whether [REDACTED] got back to McFarlane on this matter?

A I really don't recall any subsequent discussion of this.

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Q I'm not suggesting otherwise. You understand my questions. I'm just trying to see if anything I say triggers a recollection.

So in that vein have you ever heard from anybody whether [REDACTED] in fact provided any kind of help with the Contras -- whether it was material help, financial help or some other form of assistance?

A Well, I would only say that I read about it



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.Q Leave that aside. Did you ever hear or learn from any other source [REDACTED] was providing any form of assistance of any kind to the Contras apart from what you

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read [REDACTED]

A I really don't recall any other [REDACTED]

Q On any occasions. Were you friendly with [REDACTED]

[REDACTED] aside from your professional relationship?

A I would say that we were friendly, yes.

Q Did he ever discuss [REDACTED] feelings towards the contras in terms of whether [REDACTED] was disposed to try to help the United States with the Nicaraguan resistance?

A I don't recall any discussions with [REDACTED] on that.

Q Or any other [REDACTED]?

A No.

Q Had you ever heard that [REDACTED]

[REDACTED] had offered to make weapons available to the contras and this would have been in the 1985 time period?

A I was not apprised of that.

Q And didn't hear that while you were in the government?

A No.

Q Okay. Sticking with this subject, Howard, for the moment, during your period at the NSC did you learn of assistance to the contras from any other foreign government?

A No.

Q Probing that a little bit, did you hear, for

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example, whether [REDACTED] had provided any assistance towards the Nicaraguan freedom fighters?

A No.

Q [REDACTED]

A No.

Q [REDACTED]

A No.

Q [REDACTED]

A No.

Q Anybody?

A No.

MR. BENNETT: You're talking real time now right, not things he may have read in the paper? We are all real time now.

BY MR. BELNICK: (Resuming)

Q Right -- stuff you learned while you were functioning as a member of the NSC staff? You don't know anything about it.

Howard, one of the things you mentioned was in the area or the responsibility of the political military affairs division was international narcotics effort, as I understand it. Am I correct?

A Yes.

Q Did you hear at any time while you were on the staff of a project which involved using agents of the Drug

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Enforcement Administration, DEA, in an attempt to free some or all of our citizens who were being held hostage in Lebanon?

A No.

Q That's something which would come as total news to you if I told you there was such a project?

A Yes.

Q Just to go back to a few more questions on the subject of [REDACTED] and this period, the McFarlane memo, which I understand you did not receive, but for purposes of providing a time frame, is dated April 20, 1984. Do you remember whether you were in Israel at that time?

A I don't recall the exact dates of my travel [REDACTED]

[REDACTED] It would have been in late March or early April.

I'd have to look at travel records to get a specific.

MR. BENNETT: I just want to correct something. I don't think he said he did not receive this. He said he did not remember receiving it.

MR. BELNICK: Sure. You are right. Could I ask you to check your travel records, have Howard check his travel records and just get back to me, just call me with it? Bob can call me.

MR. BENNETT: Would you have those available?

THE WITNESS: Well, I have to check with the NSC.

MR. BENNETT: We'll do what we can.

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BY MR. BELNICK: (Resuming)

Q I thought these were records you may have had on your own. If they are with the NSC, we'll get them from the NSC.

MR. BENNETT: I think they are at the NSC.

MR. BELNICK: All right. We'll check on that.

BY MR. BELNICK: (Resuming)

Q When you saw [REDACTED] as you told me you did at some point in this time period, and had a brief discussion with him, can you tell me where that was? Was it in his office?

A It was in his home.

Q Did you make any notes of that conversation?

A No.

Q And [REDACTED] -- let me ask you another question. Do you recall whether in this time period [REDACTED] was seeking any contract from the State Department to provide assistance in Central America?

A I don't know specifically.

Q Do you know something about that subject?

A I do know that over a period of years formal discussions were under way between the U.S. Government and [REDACTED] regarding expanding [REDACTED] development assistance efforts in Central America and some security assistance efforts. And they may indeed have been

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working some kind of contract with AID. But I'm not familiar with any specifics.

Q And you don't know whether such a contract was ever entered into?

A I don't know.

Q Let me ask you about this document. Would you mark this document as Teicher Exhibit 3?

(The document referred to was marked Teicher Exhibit Number 3 for identification.)

Teicher Exhibit 3, for the record, is a page of handwritten notes. It bears our number stamp, Howard -- this is not something that was there when we got it -- of N-8720. I'm going to tell you it was produced to us by the White House and, according to the list of files that we got from the White House, Bob, of wherever his documents came from, this document happened to be found in Howard's files. That's why I'm asking about it. I don't know whether he's seen it, can identify it or what.

But that's my question -- whether you've seen it before, whether you know what it is. And if it helps -- I'm not going to mark this -- the document, the way we got it, was attached to a memo entitled Discussion Paper, International Relations with Iran, November 10, 1986.

(Pause.)

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Howard, do you recognize the document?

A Yes.

Q Can you tell me what it is, now referring to Teicher Exhibit 3?

A I recall it being some notes I wrote based on an assignment from Admiral Poindexter relating to what I would describe as the normal staffing work that was done following the revelation of the Iran initiative. And he directed me to work with appropriate members of the staff to prepare a background paper, which is this November 10 discussion paper, that could be provided to the State Department for them to -- and I believe Defense as well -- for them to circulate to our posts overseas as background for their use with governments regarding just what everybody was really doing with Iran.



Q These were notes, then, that you made of things that the Admiral was telling you?

A To write a paper about. That's what I recall it being.

Q And the discussion paper, which I'll mark in a few moments as Teicher Exhibit 3A, is dated November 10, 1986.

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Was your conversation with the Admiral a day or so before then?

A I can't be sure what date.

Q But around then?

A Presumably a day, probably two or three days before, but I don't recall.

Q And after the revelations about the Iran transaction?

A Yes.



Q Could we just go through these notes and tell me, first, at the top it says "put myself in Shultz position defending what we have done". Was this the Admiral telling you to put yourself in the position of the Secretary of State and give him a defense?

A I can't recall whether those were the Admiral's exact words, but I see my meaning here was to prepare a background paper that would be helpful for the State Department, Secretary Shultz representing the State Department, to enable them to defend diplomatically what we had done.

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Q Then there's a note which reads: "Enough to make it acceptable to allies/Arabs, save face with allies/Arabs." What did that mean?

MR. BENNETT: Well, let me just ask you this. I don't have a problem with him telling you what it means to him. He wrote it down.

MR. BELNICK: That's all I mean.

MR. BENNETT: I don't want him opining as to what Admiral Poindexter was meaning.

MR. BELNICK: I just want him to explain what he understood by what he was writing down.

THE WITNESS: I would preface my remarks by noting the, shall I say, wild environment that we were operating in then, so I genuinely do not recall the specific meeting except in general terms here.

BY MR. BELNICK: (Resuming)

Q Howard, I don't mean it to be in some literal sense, but what was the point?

A Again, I think it's straightforward -- to prepare a background paper that would provide arguments that would make the initiative on Iran sensible -- I'm trying to choose words other than what I wrote down -- to allies and Arab leaders.

Q Now you see the next portion of the notes reads: "Several scripts, allies, Arabs, intelligence committees, so

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forth". What did you mean by that?

A Poindexter directed the preparation of several "scripts". Script is a word of art that became popular in this Administration for reasons that I don't know.

Q It may have been from the top-down, but go ahead.

A I would say he was referring here to the different presentations that would need to be made, and in the case of allies and Arabs I participated with several of my colleagues at the NSC and State Department in preparing two different -- I recall two different diplomatic telegrams to be sent to posts that provided what we call talking points for demarches to host governments, different ones for the allies and the Arabs, and I believe two separate telegrams, maybe more, were sent out.

The State Department may have further expanded that. And he asked for the documents to be prepared for, I assume, the briefing of the Intelligence Committees and the Foreign Affairs Committees. And we were also preparing something that has since been published called the National Security Strategy, and he wanted to make sure that there was the proper input into that.

Q Do you recall what kinds of materials he was asking for to be prepared for the Intelligence Committees and the Foreign Affairs Committees of the Congress?

A No. I didn't have a role in that.

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Q Who did; do you remember?

A I believe it was Colonel North.

Q The last note on the page, "not less important that you sell; more important that you not", what did that mean?

A I don't know.

Q Do you remember work on preparing chronologies of the Iran initiative in November 1986?

A I remember that part that I was involved in.

Q What part were you involved in?

A I contributed primarily to the introductory section of the chronology.

Q And what was your contribution?

A That dealt with explaining why it was in our interest to have a relationship with Iran, the sorts of factors that went into that relationship, the diplomatic exchanges that had gone on with other governments regarding their view on the importance of the United States reestablishing a relationship. I did a little research on the Brzezinski-Bazargan meeting in Algiers and included that as a discussion paragraph.

Q Who asked you to participate in this effort?

A Admiral Poindexter.

Q And what did you understand was the purpose of the chronology that was being prepared?

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A I assumed -- I shouldn't say I assumed. I understand it was for the Intelligence Committees and Foreign Affairs Committees.

Q Did you know that the chronology went through more than one draft?

A Yes, I did.

Q And did you know that there was something called the maximum version of the chronology and then a shorter version?

A I only learned that there were these titles and actually different versions after it was revealed that there were different versions.

Q At the time you thought there was one version being prepared, one type of chronology?

~~SH To Tehran in May of '86.~~ Who else was working on the chronology that you observed?

A I'm not sure. I think I observed about ten different people at different times working on the chronology.

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Q Can you tell me who you recall having observed?

A I recall Colonel North, Colonel Earl, Commander Coy, General Secord, Mr. Cave, Mr. McFarlane. I believe I saw Keel at one point, Dr. Keel, looking at it. Myself. Those are the people that come to mind right now.

Q How about Admiral Poindexter? Did he work on it?

A I understand that he did, but I did not personally observe it.

Q Commander Thompson?

A Again, I understand he did, but I did not observe it, and I did not discuss it with him.

Q Did you hear any discussions by the people who were working on the chronology about any troublesome events, discussions of how any of the events ought to be portrayed?

A No.

Q Do you remember the President gave a press conference on November 19, which was a Wednesday evening?

A Yes.

Q Do you recall Bud McFarlane being on the premises that day?

A Was he on the premises that day? I don't recall that he was or was not.

Q Let me see. It's a tough question and answer to pick out one day and say was he there. Were you at the office when the President spoke?

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A No. I was at home.

Q Were you at the office that day before he spoke?

A Yes.

Q Do you recall hearing a conversation on that day or thereabout -- maybe a day before -- between McFarlane and North to the effect of North being exuberant about the chances of the public accepting the President's explanation, saying in effect we're out of the woods, anything like that?

A Do I recall a conversation between North and McFarlane where North was exuberant, as you have described it? 'I don't recall any such discussion.

Q Do you recall overhearing any discussion in which Mr. McFarlane said to North, in words or substance, we're not out of the woods yet; there is still this matter of money being channeled down to the contras from Iran?

A No.

Q As I understand, Howard, then, the first time that you heard about the possibility or the allegation that monies from Iran had gone down to the contras was when the Attorney General announced it at the press conference on the 25th?

A That's correct.

Q You again don't recall prior to then overhearing any conversation between North and McFarlane in which something like that came up within days of the Attorney General's disclosure?

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A That's correct. I do not recall any such discussion.

Q Do you know Michael Ledeen?

A Yes.

Q How long have you known him?

A I met Mr. Ledeen in 1982 when I joined the staff at the State Department as a staff assistant to Mr. McFarlane, who was then the Counsellor of the State Department.

Q And did Mr. Ledeen have an official role at the National Security Council staff that you were aware of in 1985-1986?

A I understood he was a consultant to the NSC staff.

Q Did you deal with him at all during those two years in his consulting role?

(Pause.)

I don't remember the question; give me any answer you want. My question was -- don't do that.

MR. BENNETT: Don't take him literally. He is trying to make you feel comfortable when he says that.

BY MR. BELNICK: (Resuming)

Q Did you deal with Michael Ledeen in his official role as a consultant to the NSC staff in 1985 and 1986?

A No. He was not a consultant to my group and while we occasionally had discussions about Middle East issues I

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would characterize them as of an informal variety.

Q When you wrote -- and I'm now drawing on what I understand from your prior testimony -- when you drafted the NSDD that went out for discussion and which suggested the possibility of an opening to Iran, which would include relaxing a little bit on letting allies and friendly governments ship weapons -- you understand what I'm referring to -- that NSDD?

A The NSDD draft.

Q The draft, the one that the Secretaries of Defense and State --

A It's important. It never became an NSDD.

Q I understand, the draft NSDD, the one that the two Secretaries took issue with, when you were preparing that NSDD draft did you talk to Ledeen? Did he have any input into it?

A I don't recall having any discussion with Michael Ledeen regarding the NSDD draft.

MR. BENNETT: Excuse me. I just want the record not to have a misimpression. There's almost an assumption in the question that he was the author of the NSDD.

BY MR. BELNICK: (Resuming)

Q Participated in drafting. I'll make the record clear. Who else worked on the draft NSDD?

A I would describe it as co-drafted by Don Fortier,

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with inputs from several other staff members of the NSC, as well as inputs from other agencies.

Q And one of the prior inputs, as I understand, was Graham Fuller's SNIE on Iran?

A Graham Fuller wrote a memo to the Director of Central Intelligence. He did not write an SNIE. His memo was titled "Toward a Policy on Iran", dated May 17, '85, did contribute to the NSDD. The SNIE was wholly apart.

Q Going back to Ladeen, let me show you some more PROFs memos. I'll ask the reporter to mark these as Teicher Exhibits 4, 5, and 6.

(The documents referred to were
 marked Teicher Exhibit Numbers 4,
 5, and 6 for identification.)

(Pause.)

While the witness is looking at those PROFs, would you mark this document as Teicher Exhibit 3A?

(The document referred to was
 marked Teicher Exhibit Number 3A
 for identification.)

Let me for the record, while the witness is looking at the documents, describe them. Teicher Exhibit 4 is a copy of a PROF message dated November 17, 1986 from Mr Teicher to Dr. Keel. It's Bates-numbered N-8507.

Exhibit 5, Bates-numbered N-17817, are certain

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PROF notes concerning subject Michael Ledeen. And Teicher Exhibit 6, which is N-17816, are again certain PROF notes concerning Michael Ledeen, or copies of PROF notes. All are dated in the time frame between 11/17/86 and 11/21/86.

Actually, I think in chronological form Exhibit 6 precedes Exhibit 5. Why don't we just reverse it? Teicher Exhibit 5 will now be N-17816 and Teicher Exhibit 6 will be N-17817.

(Pause.)

Howard, you've had a chance to look at these three exhibits, 4, 5, and 6 and, as you can see, the subject matter of them concerns whether or not Michael Ledeen -- at least as I read them -- should be permitted, encouraged, allowed, whatever, to go public about something concerning Iran. Indeed, Exhibit 4, which appears to be a note from you to Dr. Keel, says Ollie and I discussed the pros and cons of unleashing Ledeen, et cetera.

Could you tell me what this whole issue is about and what you recall of it?

A Well, to the best of my recollection Ledeen was being asked by various news media to appear to talk about the revelations, and he was seeking Poindexter/Keel's approval to do that. And I was asked for my opinion about the pros and cons of "unleashing him".

Q Teicher Exhibit 4, I take it, is a PROF note that

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you recall, now that you look at it, sending?

A Yes.

Q And it refers to a discussion that you and Ollie had about the pros and cons. What can you tell us about that discussion?

A I really don't remember the discussion.

Q Do you remember what the cons were?

A The cons would just have been that Ledeen might say things that either in a way -- or reveal that at the time decisions had been made not to reveal them, because of his style when he dealt with the media.

Q What was that?

A His style?

Q Um-hum.

A He tended to be verbose and to, I would say, describe his functions in an official capacity to the maximum extent possible which might not have been accurate.

Q On balance you concluded, though, that he ought to meet the press?

A On balance I had a principled view of a need for us to deal much more straight-forwardly with the media and that was, I believe, known among members of the staff. And I felt since others, since officials were not speaking to this issue, I felt that in the battle for public opinion it was in our interest to have people out there making the case that

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TOP SECRET//NOFORN

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this made sense.

Q Did you know at that time what role Ledeen had played in the Iran initiative?

A I had some familiarity with trips he had taken earlier in 1985, yes.

Q From whom had you obtained that?

A From him.

Q When?

A At the time of his travel. I don't recall the exact time -- in early '85, summer of '85.

Q Do you recall what he told you about his involvement?

A Well, all he told me was that he was going to try and make some things possible with the Israelis to improve our ability to establish a relationship with Iran. That was the thrust of it.

Q Did he ever tell you whether he was involved in negotiating any of the arms transactions?

A No.

Q Did you ever hear whether he was involved in any of that kind of activity?

A No.

Q For example, did you hear or learn whether he was involved in any discussions on pricing of the weapons that were sold to the Iranians?

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REF ID: A66020

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A No.

Q Did you hear whether he himself was making a commission on any of those weapons sales?

A No.

Q Have you ever heard that?

A I read about it.

Q Leave out allegations in the papers.

A No, I've never heard about it.

Q Were you advised, as these PROF memos indicate, that Bud McFarlane gave instructions that Ledeem should not be unleashed? I'm looking at one PROF note on Exhibit 5 which is from McFarlane -- it doesn't indicate that it was sent to you -- in which he says he doesn't know what role Mike played in this matter and so forth and then another on Exhibit 6 which is a short message from Alton Keel, Bud says do not, repeat, do not get on the subject.

A That would have been my only awareness.

Q Did anyone tell you what Bud's reason was?

A No.

Q Did you speak to Ledeem directly about his desire to meet the press on this issue?

A No, he was not in touch with me about it.

Q When did you first hear about -- strike that.

Did you have any dealings with representatives of Khashoggi on this Iran initiative?

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REF ID: A66020

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TOP SECRET//CODE//ORCON

39

A No.

Q I have some PROF memos that I'd like to show you about Mr. Khashoggi. Let's just mark these as the next 4 Exhibits -- 7, 8, 9 and 10.

(The documents referred to were marked Teicher Exhibit Numbers 7, 8, 9, and 10 for identification.)

These are some PROF messages, again, starting with the first one, which is Teicher 7, Bates number N-17810. It appears to be, as you can see, Howard, a copy of a note from you concerning Khashoggi dated October 22, 1985. Do you recall that message?

And again I think we've got these in reverse chronological order to an extent, but if you look at Teicher Exhibit 8, it is forwarding a note to you also dated October 22 from Wilma Hall about a call from Bob Shaheen and a question to you about whether you could see Shaheen on Bud's behalf.

And then I believe Exhibit 7 is your response beginning "I will be glad to".

Okay, did you meet with Shaheen at that time?

A No, I don't believe I met with him at that time.

Q Did you talk with him or any Khashoggi representative?

A I'm not exactly sure at the timing of all this.

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TOP SECRET/CODEWORD

40

There was a luncheon that I believe American University put on for Khashoggi that summer -- we could check calendars and things if we had access to them -- at which Shaheen was there and was the first time I ever met Shaheen, and this may be where I made this point. That was my only meeting with Khashoggi or Shaheen, at that luncheon.

Q And what did you talk about?

A It was a large group, so we didn't talk. It's not appropriate.

Q And that's the only time you ever saw them?

A I talked with Shaheen separately in an effort to arrange an interview with the President for a leading Arab correspondent that Shaheen and Khashoggi were doing and I was on the phone and my secretary over a period of weeks -- again I believe that was the summer of '85 -- no; well, maybe the summer of '85. I really don't recall exactly when it was.

Q Your memo, Exhibit 7, refers to a Khashoggi memo and there are other PROFs about that memo. Apparently at some time everybody was looking for it and then came up with it. Do you remember that?

A Yes.

Q What was the Khashoggi memo about?

A Khashoggi prepared a long memo that dealt with the state of the world, US-Soviet relations, the international

TOP SECRET/CODEWORD

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UNCLASSIFIED
TOP SECRET CODEWORD

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economic situation, the situation in Iran, the peace process, the PLO -- I mean tour de resol would be the diplomatic term that he, I guess, as an international entrepreneur was interested in and wanted to share his thoughts with the White House on.

**UNCLASSIFIED**
TOP SECRET CODEWORD

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Q Okay, we won't go further with it. Howard, have you read the Tower Report?

A Yes.

Q I want to ask a general question and I don't want you to get too excited. My general question --

MR. BENNETT: He is very clever, so now sit back and relax.

MR. BELNICK: I know you're going to get excited so I wanted to prepare you. My general question is going to be whether Howard, in reading it, saw any, to the extent he had knowledge of events, and material inaccuracies which struck him, recognizing that he doesn't have the Tower Report here, that I'm not asking him to go through it line by line that he may forget something. You have it there but he's not reading it.

MR. BENNETT: I get you.

THE WITNESS: Do you authorize me to answer?

BY MR. BELNICK: (Resuming)]

Q With those caveats that you may not remember everything but it's more of an impressionistic question -- I'm trying to qualify it as much as I can without taking you page by page through the report.

A To the extent that it dealt with what facts that was aware of I considered it to be accurate. I cannot speak to large portions of it.

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TOP SECRET//COMINT

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Q I'm not asking you to vouch for the report. You're answering within the bounds I'm asking.

A The only inaccuracy with respect to me and which I believe has been clarified had to do with the suggestion that the NSC staff pressured the CIA to draft the Special National Intelligence Estimate in a manner that would support the NSDD, which I helped draft. I believe Director Gates sent a clear letter to Senator Boren which stated unequivocally that the NSC played no role in the drafting and coordination of that SNIE, and I believe that took care of the one inaccuracy that I'm familiar with.

Q Okay, fair enough. I'm just going to do a couple more things and then we'll be finished. First, I'd like you just to verify the record that what we've now marked as Teicher Exhibit 3A, Bates number N-8714, et seq., entitled Discussion Paper International Relations with Iran is the discussion paper you were referring to earlier which grew out of your conversation with Admiral Poindexter, which is reflected in Teicher Exhibit 3, the handwritten notes.

You participated in the preparation?

A Participated in the preparation.

Q Of Exhibit 3, I take that. And who else worked with you on it?

A Commander Coy. I believe that several other members of the NSC staff.

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TOP SECRET//COMINT

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Q But my main interest was that it relates to the notes that you took.

A That's my understanding, and if you read it I think there's -- but, if I may suggest --

Q Yes, please.

A What you should seek from the White House or the State Department, perhaps, would be the actual telegrams which were transmitted as a result of the assignment and that I was part of a process of over a period of weeks. That was the actual outgrowth of that assignment.

Q It's a good suggestion and I will make sure that we get those, if we don't have them already. Just, lastly and really more for the record, have you had any recent discussions with Bud McFarlane, or Poindexter, or anyone aside from your counsel, aside from your counsel, about your forthcoming testimony here today?

A No.

Q When's the last time you had any conversation that you remember with Lieutenant Colonel North?

A The last time I saw him was very briefly passing in the street at 17th and I Street. I think he was going to see ^{ca}Brandon Sullivan or something and we said hello in the street and that was the extent of it. It was, I think, probably in early January, I don't know.

Q But the last time you had any substantive type

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P. S. T. E. T. C. O. D. E. N. O. R. I.

4.

discussion was back in November before he was let go?


A Yes.

Q The same question vis-a-vis Michael Ledeen. When's the last time you had any discussion with Michael Ledeen that touched on any of this?

A I've had no discussion with him that touched on any of this. He did recently call me to see if we could have dinner with him and his wife -- strictly social.

Q I'm not interested in personal.

A No, I've had no substantive discussion with him about any of this.

Q Or with any representatives of the  government?

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P. S. T. E. T. C. O. D. E. N. O. R. I.

UNCLASSIFIED
TOP SECRET GOODWILL

A I've had no discussion with representatives of the
 [REDACTED] government with respect to these matters.

MR. BELNICK: I want to thank you and your attorney for your appearance here and for your cooperation and for your service to the country on the NSC staff. I appreciate your coming down.

THE WITNESS: Thank you.

(Whereupon, at 11:37 a.m., the taking of the instant deposition ceased.)

 Signature of the Witness

Subscribed and sworn to before me this _____ day of
 _____, 1987.

 Notary Public

My Commission Expires: _____

UNCLASSIFIED
TOP SECRET GOODWILL

THE WHITE HOUSE
WASHINGTON

UNCLASSIFIED

20 APR 84 N 1051

April 20, 1984

~~SECRET~~

Teicher Ex #1

MEMORANDUM FOR HOWARD TEICHER

FROM: SAADI? ROBERT C. MCFARLANE

(200000)

Howard, please draw upon the following points in your meeting with [REDACTED] (without others present).

Possible Meeting With [REDACTED]

-- It is possible that [REDACTED] may be contacted by Khassoghi before long. Khassoghi came to me a week ago after having talked to [REDACTED]

[REDACTED] toward the purpose of persuading [REDACTED] to meet with [REDACTED]

-- According to Khassoghi, [REDACTED] while fearful, agreed in the meeting were entirely private.

-- There would be no preconditions, although [REDACTED] was motivated toward establishing some confidence-building measures over time. These too, would be based upon tacit performance by both sides and without formal agreement.

-- I stated that I agreed with the purpose of such contacts and with the view that any meetings would need to be private.

-- Finally, I expressed willingness to arrange such a meeting (although Khassoghi is in a position to do that himself). In short, [REDACTED] seemed to be wanting US endorsement of the project rather than any specific US role. That's OK with us too.

(Note: Khassoghi's interest was brought to my attention by Geoff who had been contacted by Khassoghi. As of now, we have not been asked to do anything. Your mention of it to [REDACTED] would only be for informational purposes and good faith in keeping them informed).

Help With the Contras

-- As we discussed, please reaffirm to [REDACTED] as he has already heard from [REDACTED] that:

~~SECRET~~

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by K. Johnson, National Security Council

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REM-7156
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RMK

(5731)

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2N 10576

1) We will not press them on the question of assistance to the contras.

2) It is an important matter to us and we face a temporary shortfall in goods.

3) We are, of course, very conscious of the vulnerability it would create for the [REDACTED]

4) If they should decide that they can help, it ought to be done bilaterally although we would be pleased to provide a point of contact [REDACTED]
[REDACTED]

5) Please also let it be known that, in your view, I am a little disappointed in the outcome but we will not raise it further.

Destroy this memo.

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20 APR 68

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FBI: MEMPHIS - 44-1987 (COMMUNICATIONS SECTION)

TO: DIRECTOR, FBI (100-441111) FROM: SAC, MEMPHIS (44-1987) (P)
 RE: MURDER OF MARTIN LUTHER KING, JR.; CIVIL RIGHTS

04/26/68 0910Z

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PAGE 00006

Teicher Ex #2

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FILE: 2384

00 BUT NOSE CONSPIRATIONS AGAIN

2. It is an important matter to be decided by the appropriate authorities.

For the purpose of comparison, only countries of the Commonwealth of South Africa

Q. Did they select another set that they ran A-1's. I ought to have done that early enough on the first set. I should be to run a test of comparison.

4. Please also let it be known that to pass over, it is a matter designated in the success but it will not cause a matter.

Buy now this book

9928 1/2 STREET, FOLKSTONE

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[REDACTED]

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N 17803

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Teacher Ex 3 ^{NO DATE}

myself in shultz position defending what we
have done: N 8720

- Enough to make it acceptable to Allies/Arabs
 - Save face w/allies/arabs
 - why is op staunch still important.
- Several Scripts concern about the balance / good faith

- o Allies (anti-terror will be key)
- o Arabs (don't double deal on Iran-Erag, didn't change the balance, intell.)
- o ~~Moderate~~ Intelligence Committee
- o Foreign Affairs
- o Input into Nat'l Sec strategy.

Reaffirmation of our long-term strat inter in Iran, importance

- Iran-Erag
- Policy hasn't changed, consistent w/advancing w/oj
- stopping terror, part. state-sponsored terror.

Then unfold how actions are consistent in support of

- o in our interest to make good faith gestures w/ Iranian moderates to build trust in U.S., work w/rk to advance convergen. CDM & Good faith.
- o strengthen their position in factional maneuvering
- o positioning for succession.

Re terror

- o don't w/groups committed to ending terror.
- o made that comm. after we demanded end to terror.
- o They complied
- o we advanced our objective

release hostages

Not less important that you sell → more important that you not.

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1C NOV86
RIGHT-EX-3H

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TOP SECRET

November 10, 1986

DISCUSSION PAPERInternational Relations with Iran

N 8714

The Islamic Republic of Iran has maintained diplomatic, economic, and military relations with a variety of countries throughout the world. Recently, there has been much speculation over a change in U.S. policy toward Iran. In order to intelligently respond to either criticism or this speculation, the facts behind Iran's international relations need to be considered.

Diplomatic Relations

Throughout the seven year existence of the Islamic Republic, Iran has maintained diplomatic relations with all of the European nations and all of the Middle Eastern/Arab countries with the exception of Egypt. Despite the war, even Iraq maintains normal diplomatic relations with Iran. Relations with Egypt were broken when the Shah was committed to exile in Egypt. The only western countries not to have diplomatic relations are the United States and Canada.

Economic Relations

Iran's gross national product in 1985 was more than \$80 billion, despite the deteriorating situation created by the revolutionary chaos. Major trading partners in 1985 were:

<u>Country</u>	<u>Imports</u>	<u>Exports</u>
Japan	\$ 1,360M	\$ 2,525M
Turkey	1,000M	1,500M
West Germany	1,647M	642M
Italy	611M	1,502M
Netherlands	270M	1,042M
Spain	284M	888M
France	160M	803M
United Kingdom	678M	80M
United States	74M	763M

Trade between Iran and other Middle Eastern/Arab countries is negligible and primarily conducted on the black market. Iran does provide Syria with oil in payment for trade concessions. Petroleum constitutes 98% of Iran's \$16 billion exports, although it is interesting to note that \$280 million of their exports to the United States are in agricultural products (pistachio). Machinery, food stuffs, pharmaceuticals, and military supplies make up the bulk of their inputs.

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N 8715

Military Relations

Military shipments to Iran can be divided into four categories:
(1) non-lethal military equipment; (2) ammunition and small arms;
(3) spare parts for U.S. weapon systems; and (4) major combat
weapon systems.

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3

N 8716



Attachments

Tab I

Tab II

TOP SECRET**UNCLASSIFIED**
TOP SECRET

UNCLASSIFIED

N8717, N8718, N8719

DENIED IN
TOTAL

UNCLASSIFIED

From: NSHRT --CPUA
To: NSHP --CPUA

Date and time 11/17/86 18:44:26

17NOV86

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NOTE FROM: Howard Teicher

SUBJECT: message to dr. keel

ollie and i discussed the pros and cons of "unleashing" ledeen.
on balance, we now conclude that as long as he convinces us that
he will not say things that he must keep silent about, we should
agree to his going public. we should be able to talk him through what
not to say tomorrow. i don't believe he wants to go before the
cameras until wednesday night.

N 8507

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Teicher-Ex #4

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20 NOV 86

UNIT HOUSE TOWNSHIP

Thanks for your thoughts.

CC: NSM - CPWA ATTOR G. REEL

CC: NSM - CPWA

SUBJECT: Michael Ledeen

MSG FROM: NSM - CPWA

TO: NSM - CPWA

TO: NSM - CPWA

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TO: NSM - CPWA

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 by K. Johnson, National Security Council

see reply to note of 11/19/86 17:18

MSG FROM: NSM - CPWA

SUBJECT: Michael Ledeen

MSG FROM: NSM - CPWA

TO: NSM - CPWA

TO: NSM - CPWA

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UNCLASSIFIED

11/21/86 14:10:11

MSG FROM: NSM - CPWA

TO: NSM - CPWA

TO: NSM - CPWA

TO: NSM - CPWA

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TO: NSM - CPWA

TO: NSM - CPWA

TO: NSM - CPWA

20 NOV 86

FILE: MORT
 WITH HOUSE COMMUNICATIONS AREA

PAGE FOUR

6

TO: WASH -- 1114 ACTION G. WRL

NOTE FROM: WLRH HALL

SUBJECT: Michael Ledeen

-- SECRET --

Reply from Michael Ledeen

see preceding note from MSMT

--CPWA 11/20/86 10:35 ***

see reply to note of 11/20/86 11:25

NOTE FROM: Howard Tishet

SUBJECT: Michael Ledeen

at of last time, I have not been able to get through to Ledeen or since.

however, I do believe that we should let Michael meet the press.

I Michael Ledeen

TO: MSMT --CPWA

11/21/86 11:12:01

MS FROM: MSMT --CPWA

TO: MSMT --CPWA

NOTE FROM: Alton G. WRL

SUBJECT: Michael Ledeen

Re: do not repeat, do not

see preceding note from MSMT

11/21/86 14:35 ***

TO: WASH --CPWA ACTION G. WRL

NOTE FROM: WLRH HALL

SUBJECT: Michael Ledeen

-- SECRET --

Response from Ellis

see preceding note from MSMT --CPWA 11/20/86 22:24 ***

TO: MSMT --CPWA

see reply to note of 11/20/86 17:25

NOTE FROM: WLRH HALL

SUBJECT: Michael Ledeen

Let him go. Take off the muzzle.

Michael Ledeen

MS FROM: MSMT --CPWA TO: MSMT --CPWA

11/25/86 10:42:00

TO: MSMT --CPWA JOHN W. PCLINGER

-- SECRET --

NOTE FROM: WLRH HALL

SUBJECT: Michael Ledeen

Answering him but you have been. I have hesitated to intrude but I want you

to know I am not so much -- but more than these past 3 years

I believe the President has been well-served with you at the helm; he could

not have been better advised; your steadiness, consistency and professionalism

are a rare quality here. I am sure you consider your resignation to be the

right thing to do but -- please forgive me -- I want to say, sitting in

front office, knowing the hectic schedule

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FILE: 100

OF COUNCIL
WHITE HOUSE COMMUNICATIONS SECTION

PAGE 00002

22 Oct 85

see reply to note of 10/27/85 10:31
NOTE FROM: Howard Trencher

Subject: Khashoggi

I will be glad to, especially since I will see Khashoggi at a luncheon on Wednesday morning, he might if he has guidance for me, say particularly regarding how to handle Khashoggi. On August 11, 1985, I included a letter to him, but had to use a device to talk with Khashoggi. I had told him that I had sent a letter which I could deliver personally, but he said that all Khashoggi's please try to get some guidance back to me before the Friday luncheon. On the Friday, please contact me and let me have a good idea for him to use with the president (1-7 situation). Thanks.

Khashoggi

N 17810

Trencher, H. W.

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5738

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220A5-

DECLASSIFIED

REF: 1070

UNITED STATES GOVERNMENT

0000 0000

Leichter &

REC'D FROM: DIRECTOR
TO: MEMPHIS --CPWA

TO: SANDT -CCP44

04/22/08 10:31:06

DATE FROM: WILSON HALL
DATE TO: 03/04/2001

-- L&J --

[illegible]

cc: WPM --CPD 00000 MCPALAN

0 Shooabegyi TO: BFCN --CFA
NEW YORK BSCN ROBERT AK/ABABVC
TO: BSCN --CFA
10/22/05 15:17:00

NOTE FROM: WFLA MAIL

•

My package for Howard - his note follows.
 From: 15M 10/22/88 14:30
 To: 15M

Unleashed

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5739

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22 Oct 85

FILE: 1013

UNRECORDED

UNCLASSIFIED

PAGE 00001

Teicher-E. 9

N 17809

MSG FROM: BUCH --CPA TO: 83087 --CPA
TO: 83087 --CPA

10/22/85 18:21:00

NOTE FROM: WILM HALL
SUBJECT: Rheathogyl

-- SECRET --

Bob Shabren called to see whether RCM had any response to the long questionnaire recently sent to him by Rheathogyl. I responded that RCM had received and reviewed the document and had shared it with you; had been heavily enjoyed by me. Shabren stated that "perhaps Talcott could at least call; no such effect" had been put into the case that he felt more acknowledgment would be obtained by Rheathogyl.

Could you call Shabren on behalf of RCM, please? RCM is totally scheduled and unable to do. Many thanks.

CC: W. H. Y. ROBERT McFARLANE

MSG FROM: 83087 --CPA TO: 83087 --CPA
TO: 83087 --CPA ROBERT McFARLANE

10/22/85 15:17:00

NOTE FROM: WILM HALL

-- SECRET --

Subject: Rheathogyl

Any further info Howard - his note follows.
see forwarding note from WILLIAM --CPA 10/22/85 19:10 ***
TO: W. H. Y. --CPA

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Johnson, National Security Council

25 Oct 85
18782
UNCLASSIFIED

Teicher Ex. #10

MSG FROM: NSHRT --CPUA TO: NSDRF --CPUA 10/25/85 17:50:07
To: NSWFH --CPUA ROBERT MCFARLANE NSWRP --CPUA ROBERT MCFARLANE
NOTE FROM: Howard Teicher
SUBJECT: adnan khashoggi

adnan expressed his complete appreciation for your inability to get back to him in the foreseeable future. he hoped that you would authorize me to "help him understand u.s. policy in the middle east" in the next week or so. the more interesting substantive points included:

- he met with [redacted] early this past week. he does not have much hope for him in terms of displaying any statesmanship in the near future. he also took credit for [redacted]
- he met with [redacted] in new york. he believes that [redacted] is taking us for granted and is therefore pushing us into a position where we cannot serve as an intermediary. (he made this same point in his memo.)
- he was especially verbose about [redacted]

cc: NSDRF --CPUA NSWFH --CPUA JOHN M. POINDEXTER
NSWRP --CPUA JOHN M. POINDEXTER

MSG FROM: NSRCH --CPUA TO: NSDRF --CPUA 10/25/85 18:08:33
To: NSWFH --CPUA

*** Reply to note of 10/25/85 17:56

NOTE FROM: ROBERT MCFARLANE
Subject: adnan khashoggi

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Partially Declassified/Released on 26 Jan 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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ORIGINAL

HSITS-3/87

Deposition of Paul Thompson

Select Committee to Investigate
Covert Arms Transactions with
Iran,
U.S. House of Representatives,
Washington, D.C.

Monday, March 9, 1987

The deposition was convened, pursuant to notice, at 3:30 p.m., in Room H-328, The Capitol.

Partially Declassified / Released on

By B. R. Ragsdale, Editor

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1 Mr. Eggleston. Just so the record is clear, this deposi-
2 tion, as it is conducted, is classified. The names of various
3 individuals who are mentioned in this deposition have not been
4 revealed publicly and care should be taken in dealing with this
5 deposition to assure that the names are not revealed.

6 Mr. Raul. Fine.

7 Mr. Eggleston. I am Neil Eggleston, Deputy Chief Counsel
8 of the House Select Committee to Investigate Covert Arms
9 Transactions with Iran, and also present is George Van Cleve,
10 who is Chief Minority Counsel.

11 Mr. Van Cleve. Yes.

12 Mr. Eggleston. The witness is Paul Thompson. Immediately
13 before we went on the record, Mr. Alan Raul, who is also attend-
14 ing as ---

15 Mr. Raul. Associate Counsel to the President and represent-
16 ing Mr. Thompson.

17 Mr. Eggleston. Mr. Raul has asked for a copy of the
18 deposition. I have told him that the rules provide, to my
19 understanding, at the very minimum, for his client, for Mr.
20 Thompson to have an opportunity to review the transcript and
21 make any corrections.

22 I am uncertain about whether or not the rules permit, on
23 his request, to give him a copy of the transcript. I will get
24 back to him on whether or not he can have it, but I certainly
25 acknowledge here that he has made a request for the transcript.

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Whereupon,

PAUL THOMPSON

1 was called as a witness for the Select Committee, and, having
2 been duly sworn by the Notary Public, was examined and testified
3 as follows:

EXAMINATION BY COUNSEL FOR THE SELECT COMMITTEE

BY MR. EGGLESTON:

6 Q As you probably know, this committee has a broad man-
7 date to investigate various activity including various activities
8 of individuals in and outside of the government relating to what
9 has now been colloquially referred to as the Iran Contra Affair.
10 You have been asked to appear pursuant to that and we thank you
11 for coming today. I don't think this deposition is going to
12 take very long. Just so there is no confusion, I will cover
13 several different areas and I will just review the areas so you
14 know what will be coming. I will ask a few questions about your
15 background, military background, questions about your first
16 involvement when you first came to the NSC, a little about the
17 NSC, and I will ask you specific questions about your role there
18 and focus on some of the last events that took place recently.
19 Those are the areas I intend to cover.

20 I don't intend to ask you anything about things you might
21 have done at the NSC that are not included within the scope of
22 this investigation. I am not going to ask you about other thing
23 that you might have worked on. I think that might cover areas
24 I am not cleared to hear, so I will not ask you about that.

Where were you born, Mr. Thompson?

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A I was born in Keene, New Hampshire.

Q What is your date of birth?

A September 27, 1946.

Q So that makes you how old?

A Forty years and some months.

Q Mr. Thompson, could you tell us about your educational background?

A Certainly. I completed eleven years of school in the normal public school system. I spent my twelfth year in Germany as an exchange student. I then spent four years at Boston University, earning a Bachelor of Arts degree. I then spent a year in post-graduate work at the University of Maryland in International Political Science. I then entered the United States Navy and went on a four-year tour. I then spent three years in law school at the University of Baltimore. I then entered active duty with the Navy and spent another three years at the Georgetown University School of Law, earning a Masters in Tax.

Q What year was it that you entered the Navy?

A I entered the Navy in September of 1969.

Q What is your current rank?

A Commander.

Q What year is it that you began law school? I think you said the University of Baltimore?

A Right. It was in August of 1973.

Q And what kind of responsibilities did you have with

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1 the Navy between September '69 and August of 1973?

2 A Well, my first assignment was on board ship, the
3 USS Cambria. I was a second division officer and boat group
4 commander, basically a line job.

5 Q And where were you principally located?

6 A Well, the ship deployed to the East Mediterranean,
7 so I was part of the 6th Fleet.

8 Q Did you go to law school continuously then from
9 August '73 through '76 or so?

10 A Through December of '75.

11 Q December '75?

12 A That is correct.

13 Q And you indicated that there came a time when you
14 went to Georgetown to get a Masters in Tax?

15 A That is right.

16 Q When was that?

17 A I started that program, it was a night program. So
18 I started it in September of 1976 and completed it in December
19 of 1979.

20 Q Does that mean that throughout the period '75, really
21 through '79, you were principally located in the greater
22 Washington area?

23 A Yes. I was stationed right here at the Navy Yard.

24 Q You did not have a line assignment?

25 A No. Upon completion of law school I transferred to

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1 the Judge Advocate General Corps and I was a member of the
2 JAG Corps in the Navy since 1976, so I was in a legal assign-
3 ment here in Washington while I was in law school. I should
4 point out that I attended law school under a Navy program
5 called the Excess Leave Program, so I have actually been on
6 continuous active duty since September 1969.

7 Q During the course of this period of time, '69 to '73
8 when you were engaged in active duty, in that period of time
9 did you have any training or involvement in any special
10 operations type assignments?

11 A No, none whatsoever. I should also point out that I
12 spent my initial tour was on board ship. That lasted for one
13 year. I then spent about two and a half years in Turkey
14 assigned to a military mission.

15 Q What did you do when you were in Turkey? What did
16 it mean to be assigned to a mission?

17 A I was primarily the flag lieutenant and aide to a
18 rear admiral who was stationed in Turkey who was the chief of
19 the Navy section of the Joint U.S. military mission for aid
20 to Turkey with the responsibility of JUSMMAT, as it was known
21 as to assist the Turkish military in upgrading their capability.

22 Q Who was the admiral that you were assigned to?

23 A An admiral, two admirals, actually, one was Walter
24 N. Dietzen, Jr., and the second was John G. Williams, Jr.

25 Q Dietzen is spelled?

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1 A D-i-e-t-z-e-n.

2 Q And if you could just take me from 1976 when you
3 graduated from -- excuse me -- when did you graduate from the
4 Georgetown program?

5 A 1979.

6 Q After that time, what assignment did you have?

7 A You are not interested in what happened between '76
8 and '79?

9 Q I am. But I would like to get forward first here.

10 A We come in the middle of a tour in that case.

11 Q Let me ask you about the beginning of the tour, then.

12 A In 1976, when I was admitted to the Bar, and I arrived
13 in Washington, D.C., I was attached to the Navy Legal Service
14 Office here at the Navy Yard and I was the trial attorney for
15 about a year and a half, both trial and defense. At the end
16 of that time I became what is known in the military as Head
17 of Military Justice, which means I was like the senior trial,
18 senior trial attorney for both trial and defense sections. I
19 then left the trial activity and was transferred to the appellate
20 activity where I spent the next twenty months as a government
21 appellate attorney arguing cases in front of the Court of
22 Military Appeals.

23 Q What years was that?

24 A And writing briefs. This would have been mid-'77 to
25 mid-'79.

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1 Q All right.

2 A In May of '79 I was then transferred to the Naval
3 Audit Service where I performed a job known as staff Judge
4 Advocate to the Auditor General of the Navy who was an admiral
5 by the name of James B. Busey. That job entailed, in contrast
6 to my previous two assignments in which I was primarily doing
7 criminal and military justice, that job entailed fraud, waste,
8 and abuse, white collar crime, fiscal law, and so on. In July
9 1980, I was then transferred to the Department of -- to the
10 Office of the Secretary of Defense where I became a member of
11 the staff of the Assistant to the Secretary for Legislative
12 Affairs as a legal and legislative counsel.

13 Q How long did you remain there?

14 A I was there for three years until June 1983 at which
15 time I went to the White House to the National Security Council.

16 Q Let me focus on that period, July '80 through July
17 '83 when you were assigned to the position of Office of
18 Secretary of Defense. What were your duties when you were at
19 that position?

20 A Primarily a liaison function and my areas of respon-
21 sibility were within the Office of Secretary of Defense, the
22 Assistant Secretary for Control, Communications, and Intelli-
23 gence, Command, Control, Communications, and Intelligence,
24 C-Cubed, as it is called, so I was liaisoning with the House
25 Permanent Select Committee on Intelligence and the counterpart

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1 on the Senate side, as well as the Judiciary committees because
2 I also performed liaison between the General Counsel of the
3 Department of Defense and Congress.

4 Q Were you the principal liaison between that office?

5 A I was for the area of intelligence and for the legal
6 matters, yes.

7 Q What would be included within what you call the areas
8 of intelligence? What kind of areas would you mean by that?

9 A Well, the annual authorization, the appropriations
10 bills which covered the national foreign intelligence programs,
11 all matters of programmatic matters arising during the course
12 of the year which would fall within the oversight responsibilities
13 of the committees.

14 Q Would areas like particular relevance to questions I
15 have coming up, areas like Congressional notification about
16 various things that arise under various statutes, would that
17 fall within your area?

18 A Arguably, it could have. It seems to me the Intelli-
19 gence Oversight Act, as it is called, was passed just about as I
20 arrived or shortly after I arrived there which articulated the
21 reporting requirements to particular chairmen and Members over
22 here.

23 Q Were you ever involved in reporting -- I won't ask
24 you what they were -- but involved in reporting any particular
25 activities during the period of time that you were there?

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1 A No.

2 Q If there had been something to report within your area
3 would that have been something you would have done or would you
4 have just coordinated that on behalf of somebody else?

5 A I would have done the coordinating at best since I
6 was the liaison person. I was not a substantive portfolio
7 person. But I would not probably have gotten involved in the
8 actual reporting. I don't recall any incidents while I was
9 there.

10 Q During this period of time when you were at the Office
11 of the Secretary of Defense, were you involved in the AWACS sale?

12 A No.

13 Q You didn't have any? Didn't that take place in '81 or
14 so? When I say the AWACS sales, I don't mean the actual sales,
15 but involved in the Congressional effort to get the AWACS sales
16 passed.

17 A That was another part of the office altogether.

18 Q So, you were not involved?

19 A No.

20 Mr. Raul. Let me interject for a second. Commander, were
21 you in the Office of the Secretary of Defense or the Office of
22 the Assistant Secretary for Legislative Affairs?

23 The Witness. Office of the Assistant Secretary for
24 Legislative Affairs, but we provided the exclusive legislative
25 support to the Secretary.

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1 BY MR. EGGLESTON:

2 Q Let me ask you, I would like to ask you if you knew
3 a number of people prior to June of 1983.

4 A Okay.

5 Q Prior to June of 1983, did you know someone who is
6 now Lt. Colonel Oliver North?

7 A No.

8 Q How about Richard Secord, did you know him?

9 A No. I knew of the name because he worked in the
10 Pentagon at the same time I did. I had never met him.

11 Q When I say, did you know him, to your recollection had
12 you ever even met him in any fashion?

13 A No.

14 Q How about a man by the name of Robert Dutton?

15 A No.

16 Q Richard Gadd?

17 A No.

18 Q Did you know Robert McFarlane?

19 A I knew the name only in his capacity as the Deputy
20 National Security Advisor.

21 Q But you had not met him?

22 A No.

23 Q And Admiral Poindexter?

24 A No.

25 Q You did not know him prior to the time you were

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1 transferred to the National Security Council?

2 A No.

3 Q You indicated that you were transferred to the National
4 Security Council in, I think you said June of 1983.

5 A Correct.

6 Q And what job did you have when you were first trans-
7 ferred?

8 A My first assignment was Deputy Director of Legislative
9 and Legal Affairs.

10 Q Who was your supervisor?

11 A Director of Legal and Legislative Affairs was a
12 gentleman named Christopher ^{Zelman} Mann.

13 Q How long was he there?

14 A He was there -- at the NSC or within that directorate
15 as my supervisor? I only remained in that directorate for about
16 nine months.

17 Q Let me ask you in a similar fashion to describe the
18 various jobs you had at the NSC if that wouldn't take too long,
19 between June '83 -- are you currently there?

20 A Yes.

21 Q Until the present, then.

22 A Sure.

23 As you know, the NSC is organized into directorates.
24 It has an Executive Secretary and about 12 to 14 directorates,
25 so when I first arrived there I was assigned to the directorate

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1 of Legal and Legislative Affairs. As the Deputy Director for
2 Legal and Legislative Affairs, I had -- the reason I say this,
3 I need to correct one other aspect -- I had as my supervisor
4 Chris Lehman for legislative affairs and then general counsel
5 to the NSC a gentleman named Robert Kimmet^t as my immediate
6 supervisor for legal affairs. So, I actually reported to two
7 individuals.

8 After nine months, I moved down to the Executive Secretariat
9 of the NSC and became the Deputy Executive Secretary and retained
10 my deputy or my legal counsel role, so I was both the staff
11 counsel and the Deputy Executive Secretary for another nine
12 months.

13 Q We are talking now about March or so of 1984?

14 A Right. I was in that capacity in my first assignment.
15 I then became the Deputy Executive Secretary and Deputy Staff
16 Counsel until December of '84.

17 Q Just to clarify, you started in June or so of 1983?

18 A Right.

19 Q When did you take the job as Deputy Executive
20 Secretary?

21 A Spring of '84, it would have been around March or
22 so, April.

23 Q You remained there until about December '84?

24 A Correct.

25 Q And what job did you take then in December '84?

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1 A Starting January 1 of '85, I became the military
2 assistant to Mr. McFarlane.

3 Q Okay.

4 A I still retain my hat as the deputy legal officer to
5 the NSC.

6 Q Who did you report to then as the deputy legal officer?

7 A To the General Counsel, Robert Kimmet~~t~~.

8 Q It was still Robert Kimmet~~t~~ at that time?

9 A Yes, and that continued up until June '85. So, from
10 January 1, 1985, until January 5 of 1986, I was the military
11 assistant to Mr. McFarlane.

12 Q Okay.

13 A January 5 was his last day, although in effect he left
14 in early December '85. I stayed in that job and became the
15 military assistant to Admiral Poindexter.

16 Q Okay.

17 A Now, in June of '85, when Kimmet~~t~~ left to go to the
18 Department of Treasury, I then became the primary legal officer
19 at the NSC.

20 Q Had those been joint jobs prior to the time that you
21 took them?

22 A Yes, Kimmet~~t~~ was the staff counsel or legal counsel
23 when I arrived there. I actually relieved him and while he was
24 doing that he had also done other things. He had done security
25 assistance and legislative affairs. It is not unusual to be

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1 double hatted.

2 Q Right. I just wondered whether that had been covered.
3 Do you still retain the current job that you had since then?

4 A Yes. Well, up until November 25 I retained those jobs
5 and then we had a transitional period during which time Mr.
6 Al Keel was the acting National Security Advisor.

7 Q Right.

8 A That takes us through 2 January of '87. I kept both
9 jobs through that period of time.

10 I then became the military assistant to Mr. Frank
11 Carlucci, which I am currently still doing. In late January of
12 this year, 1987, a gentleman named Paul Stevens arrived and he
13 assumed many of my legal duties and became the legal advisor to
14 the National Security Advisor.

15 I have been still performing some legal functions;
16 however, Paul now has the primary responsibility.

17 Q Let me just take you through a few more background
18 questions about yourself and then we will move to a few other
19 specific areas. What are your principal duties as military
20 advisor?

21 A Military assistant to the National Security Advisor.

22 Q Yes.

23 A It encompasses serving as that individual's special
24 assistant and being responsible for basically the main issues
25 which he faces in a given day, everything from the paper that

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1 crosses his desk to the meetings that he is required to be
2 prepared for, liaison with the rest of the staff. I deal with
3 his counterparts if he is busy. I anticipate whatever problems
4 and demands will be on his time.

5 Q Were you then, just to put it in terms that I can
6 understand it, were you his principal deputy then? I am starting
7 first with Mr. McFarlane, during the time of a year or so that
8 you had that job.

9 A No, that would be inaccurate.

10 My role was strictly in support of the incumbent of
11 the National Security Advisor, that individual. He had a deputy
12 who would stand in for him in his absence who was his principal
13 deputy.

14 Q Who was that?

15 A Well --

16 Q Who was that in 1985 and 1986?

17 A In 1985, throughout '85 it was Admiral Poindexter.

18 Q Right.

19 A In 1986, it was initially Don Fortier, until he
20 succumbed to cancer.

21 Q When is it Mr. Fortier ceased to work actively at the
22 NSC?

23 A He went home ill in May of 1986, and never returned.

24 Q Okay. I knew there came a time prior to the time that
25 you were there.

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1 A Yes, and he died in August.

2 Q Did someone take his place?

3 A No. During that time we had the NSC under Admiral
4 Poindexter. It had been configured to have two other deputies
5 in addition to the two principal deputies. So those two
6 individuals assumed a little more responsibility and the
7 Executive Secretary who is normally the third or fourth in line
8 anyway as far as responsibility management goes also assumed more
9 responsibility. I did a few more things, but that was the
10 primary responsibility.

11 Q Who were the five people under Admiral Poindexter
12 after Mr. Fortier left?

13 A There were two other deputies, one named Peter Rodman,
14 Deputy Security Advisor for Foreign Policy, and William Cockell
15 was the Deputy National Security Advisor for Defense Policy.

16 Q In 1985, where was your office?

17 A From March '85 until the end of the year it was
18 located in an ante-room right next to the National Security
19 Advisor's office.

20 Q And in 1986, did you remain in the same location?

21 A Same, yes.

22 Q I was there the other day, are you the office immediately
23 next to the National Security Advisor's office?

24 A That is correct.

25 Q In that position that you held in 1985 and 1986, did

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1 you routinely review paper, documents that were forwarded or
2 transmitted to the National Security Advisor?

3 A Yes, I did.

4 Q Did you also review his, the PROF memos that were sent
5 to him?

6 A No, only if they were copies to me. In the PROF
7 system you can send messages to the addressee exclusively or
8 you can copy individuals. So it depended on what the ~~originator~~
9 of the message did.

10 Q Let me ask it this way: I understand that in ~~previous~~
11 situations there may have been arrangements such that someone
12 sending a message can send a message to that only the recipient
13 can review that, the recipient or someone who has the recipient
14 password or machine or something.

15 A Yes.

16 Q Apart from those, apart from those that would have
17 been sent under some sort of special system, did you review any
18 of his other PROF messages that were sent to him? Would you
19 routinely review any of the others?

20 A No, I was never aware of any messages that would be
21 sent to him unless I were copied on them.

22 Q Okay.

23 A Each member of the staff has his own user ID and his
24 own password and they dial up their messages and dispose of them
25 or forward them and do whatever they want with them. I was

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1 never at any time aware of anybody else's password other than
2 my own.

3 Q There is a PROF, series of PROFs that are now famous
4 called Private Blank Check, that had a title of Private Blank
5 Check. Were you aware during late '85 (had '86 that such PROF
6 messages under the title of Private Blank Check were being sent
7 back and forth?

8 A No, I am not familiar with that title. I am aware that
9 a lot of staff officers had the capability of communicating
10 directly with Admiral Poindexter via PROFs.

11 Q But you were not aware of that particular track?

12 A No, no. You know, the way the PROFs are structured,
13 it is so as to prevent the National Security Advisor from being
14 bombarded with hundreds of messages in any given day. Most of
15 the staff had to send their messages via the executive secretary
16 who then would filter them and only forward select ones and
17 when that individual forwarded them he would copy me so if they
18 came up through that system I would be aware of what they were,
19 normally. He would copy me out of courtesy and of necessity so
20 I could track various action items.

21 Q Who was the executive secretary during this period of
22 time?

23 A Well, it was once again more than one person.

24 Q I thought it might have been.

25 A It started off -- we have a high attrition rate.

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1 Q Really, particularly recently. Really, I was thinking
2 '85 and '86. Was it several different people in that time
3 period?

4 A Yes, it was. It was three different people.

5 Q Okay, if you could just tell us.

6 A Bob Kimmer from January 1 of '85 and in a continued
7 role up to June 17, '85, then when he left, William Martin took
8 over and he stayed as executive secretary until around February
9 1986. During February, early February, he was relieved by
10 Rodney McDaniel, who stayed in that position up to January 2 of
11 '87.

12 Q So is it fair to say that the messages that were sent
13 to Admiral Poindexter by the Executive Secretary, you routinely
14 saw those?

15 A Most of them. He had to put the copy to my user ID
16 below. He didn't always do that. I should point out, also,
17 that there was one other individual who did most of the PROFs
18 forwarding, that was a gentleman named Robert Pearson, Deputy
19 Executive Secretary throughout that period of time. Pearson
20 came and relieved me from being Deputy Executive Secretary back
21 in January of '85.

22 Q Okay. But if I were to look at any particular PROF
23 memo, can I tell whether you read the PROF memo or whether that
24 memo was sent to you by looking at the memo itself?

25 A Yes, you can look at the bottom and if you see

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1 "cc: MSPBT," generally I was sent it.

2 Q If it was not there that would mean you would not
3 have seen it?

4 A Absolutely. That is the case unless it were handed
5 out and sent to me.

6 Q Let me ask you about paper flow. I have noticed an
7 enormous number of memoranda that were written, again, for example,
8 by Oliver North to Admiral Poindexter. He seemed to be a fairly
9 prolific writer.

10 A Yes.

11 Q A number of these were suggestions or what I call
12 action memos, although there may be another term, suggesting
13 Admiral Poindexter take various action. Those could range any-
14 where from authorizing a trip that Mr. North wanted to take, to
15 briefing the President on a particular item or particular event.

16 Did you routinely see memos of that kind in your
17 position?

18 A Routinely, I did. There were always some that were
19 hand carried in by a staff officer in an appointment or handed
20 to the Admiral elsewhere that I did not see.

21 Q So you didn't necessarily see them?

22 A No.

23 Q Was there a method by which the action that Admiral
24 Poindexter took was recorded?

25 A Almost always. He would document on the memo, as you

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1 probably notice, they called for disapproval or approval, he
2 was very careful usually about documenting that.

3 Q When those were documented or the document itself
4 usually by his initials or some initials and a note, what
5 happened to that piece of paper? Where would it go?

6 A It is important to distinguish as to whether or not
7 they were what we call system items or not. If they were
8 identified by a system number, either a system 1, 2, or 4, which
9 can be identified by a log number in the upper righthand corner,
10 they were sent back then via our Executive Secretary where they
11 were recorded and they were entered into our chronology as a
12 recorded decision.

13 Q What kind of things fall within 1, 2, or 4, what kind
14 of decisions?

15 A Well, we devised this, these categories of systems
16 sometime ago to try to make more sense out of the vast amount
17 of paper that comes through that, and System 1 was primarily
18 administrative, internal action or administrative type system.

19 Q Would North's request for authorization to travel fall
20 within System 1?

21 A Yes, right. Those would normally be dealt with at
22 the Executive Secretary level, rarely even come up to the front
23 office.

24 Q Okay.

25 A System 2 was primarily an NSC type system of

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1 sufficient sensitivity to be dealt with in a classified manner
2 and therefore almost all items and systems were classified.
3 They usually deal with most of the main functions of the
4 National Security Council which require some sort of either
5 action or information to be taken by the National Security
6 Advisor or by the President, so they were on their way to that
7 level and they are usually of significance.

8 System 3 is defunct and has been for years.

9 System 4 is designed primarily for intelligence documents,
10 most intelligence, originally it was defined by items coming out
11 of the intelligence directorate. It then was expanded somewhat
12 to include highly sensitive items which a staff officer could
13 use by contacting our System 4 custodian, get a System 4
14 number and using that to have an item sent forward to the
15 National Security Advisor. System 4 is usually hand-carried,
16 usually put in an envelope so it receives more protection than
17 the System 2.

18 Q Well, let me just take an example which is not going
19 to shock you, but take an example where Mr. North is writing a
20 memo to Mr. Poindexter and suggesting that Poindexter advise
21 the President or brief the President on a particular event.
22 If Poindexter says "concur" or initials the "yes" box, is that
23 a System 2 document?

24 A Probably should be. In most cases it would be.

25 Q The document itself is sent to some central file?

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1 A Oh, yes, sure.

2 Q Does Mr. Poindexter also keep a copy of the document?

3 A No, he rarely kept any paper at all. A chronology
4 is maintained for him within the Secretariat of his action,
5 usually the original document is stored there. That becomes
6 the record copy and a copy of the decision is sent back to the
7 action officer who prepared it.

8 Q There was a memorandum that is oft referred to as
9 being undated but which the Tower Commission concludes is
10 dated April 4 or so. It is, I think, quoted in some length in
11 the Tower Commission report -- I am starting to forget where I
12 saw things.

13 Prior to November 1, '86, had you seen that memoran-
14 dum?

15 A No.

16 Q When is the first time you saw the memorandum?

17 A I saw it either the Monday or the Tuesday at the end
18 of November, the 24th or 25th.

19 Q I would get to that in ordinary course, but you did
20 not, to your recollection, see it around April or so of 1986?

21 A No.

22 Mr. Raul. Can we go off the record for a second?

23 Mr. Eggleston. Sure.

24 (Discussion off the record.)

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1 Mr. Eggleston. Back on the record.

2 BY MR. EGGLESTON:

3 Q Did you attend meetings of the National Security
4 Council?

5 A I did occasionally.

6 Q And on what kind of occasions would you be asked to
7 attend?

8 A Oh, if legal issues were being discussed, or if my
9 appearance there would be of assistance to the National Security
10 Advisor.

11 Q That was essentially the decision of the National
12 Security Advisor?

13 A Yes.

14 Q Did you attend both under Admiral Poindexter and
15 under Mr. McFarlane?

16 A Yes.

17 Q Do you know the number of times you attended?

18 A No very many.

19 Q Well ---

20 A Probably four or five.

21 Q About two under each or so or more under one than the
22 other?

23 A I would have to look it up. I suspect I went two or
24 three times under McFarlane and perhaps more under Poindexter,
25 but we had meetings which were not strictly statutorily National
Security Council meetings, but were Presidential meetings with

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1 several members of the NSC plus other senior advisors which I
2 attended, so "NSC meetings" is a word of art. There are also
3 what are called NSPG meetings which are equivalent in many
4 respects.

5 I would say perhaps in the two years I was there I
6 went to a total of ten meetings which were considered NSC
7 related meetings.

8 Q During the times that you were there, were there note
9 takers?

10 A Yes, I recall there were.

11 Q Was there during the time that you were there, times
12 that you were there there was a particular person designated to
13 be the note-taker?

14 A Sure.

15 Q Who were the persons designated, and you may well
16 answer it was different people on different occasions.

17 A It normally was. Ideally, the Executive Secretary
18 would perform that function.

19 Q Did the Executive Secretary also attend the meetings?

20 A Mr. McDaniel tried to go most of the time unless it
21 was just a problem with space. We always tried to keep these
22 meetings small. If it was really an exclusive meeting, then the
23 Deputy National Security Advisor would take notes. If it were
24 somewhat broader, the Executive Secretary would. Or, ideally,
25 the action officer responsible for that particular area would

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1 go and take notes. He was usually the most conversant and took
2 the best notes.

3 Q And when you referred to "if it was an exclusive
4 meeting and the Deputy National Security Advisor was taking
5 notes," are you referring to yourself?

6 A No. Once again, I am referring to -- I am referring
7 to Fortier, Keel, or Poindexter.

8 Q Okay. So, after the period of time where Fortier
9 dropped out, no longer is actively involved ---

10 A Then it would have been, during the interim period it
11 would have been Rod McDaniel and then Al Keel came in September
12 of '86.

13 Q Okay. Did Admiral Poindexter take notes?

14 A As Deputy?

15 Q Right.

16 A I am sure he did. I can't recall being at meetings
17 when he was there as note-taker.

18 Q Okay.

19 A Normally, the action officer took notes.

20 Q By "action officer," you mean the lower level officer?

21 A The staff officer, right, whose meeting was his area
22 of responsibility.

23 Q Was there a routine manner of dealing with those notes
24 after the meeting? Were they taken back by the officer?

25 A Yes, they were.

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1 Q And were they filed in any central location or were
2 they filed wherever that person filed his materials?

3 A In most cases, as I understand, they were typed up
4 and sent forward for approval by the National Security Advisor
5 and they were either looked at by him or in most instances by
6 the Executive Secretary who approved them and sent them back
7 for filing, but they were in the system. They could be identified
8 by number.

9 Q And they would have been put into this chronology or
10 whatever it was?

11 A Yes.

12 Q Did you participate in the preparation of the President's
13 daily briefing book?

14 A No.

15 Q No?

16 A No. Well, I would often participate in adding items
17 to it. The make-up of the book is done by the intelligence
18 analyzers.

19 Q Do you know what happens to the book after the
20 President is done with it?

21 A Yes.

22 Q What happens to it?

23 A It is sent back to our office where it is looked at
24 either by me or the National Security Advisor and then it is
25 sent downstairs to the Executive Secretary who also looks at it

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1 and then it is sent to the Situation Room where it is dis-
2 assembled.

3 Q And the various parts are returned to the agency
4 that prepared it?

5 I should have asked the question this way: What did
6 you mean by "disassembled"?

7 A That is correct. The information items are taken
8 back out and sent back to the staff officer that prepared them
9 and the intelligence documents are taken out and I believe they
10 are filed in the White House because they have the Presidential
11 initial on them. If not, they are sent back to the agencies.

12 Q Did the President on occasion, to your knowledge,
13 write notes on the side asking about things?

14 A Sometimes he would.

15 Q What is this about?

16 A Yes.

17 Q Is there someone responsible for responding to those
18 questions?

19 A Yes, sure. We would immediately take them and staff
20 them to the respective staff officer to prepare a memorandum
21 from the National Security Advisor back to the President
22 answering the question.

23 Q And those notes would have been retained, those notes,
24 I mean the President's marginal notes?

25 A Yes, those would normally become a tab in the memo

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1 going back to the President answering his question.

2 Q Was there a particular area of legal expertise that
3 you had when you were at the National Security Council or when
4 you had the legal job at the NSC?

5 A No, I would have to say I would be known as a house
6 counsel, or general counsel. The NSC staff is comprised of
7 about 40 to 50 professionals and another 100-plus support
8 personnel and they are a quasi-agency for a lot of persons. We
9 are subject to the Freedom of Information Act. We have normal
10 agency obligations as far as budget and personnel matters go,
11 so that I would spend some of my time just administering to the
12 agency in its agency capacity.

13 My external responsibilities, I participated in the
14 interaction process. My counterparts were mostly the general
15 counsel of the area agencies or the national security community
16 and the issues there were very diverse, ranged all the way from
17 intelligence-related matters to international law to defense
18 law and normal legal issues that come up to the President for
19 decision making.

20 Q I had one or two more structure type questions that I
21 wanted to get to. Did Admiral Poindexter have regular meetings
22 of his executive staff?

23 A Oh, yes, every day.

24 Q Were you part of those staff meetings?

25 A Yes.

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1 Q Did Colonel North attend those staff meetings?

2 A He did. He was there for most of the morning staff
3 meetings every day at 7:30 throughout Admiral Poindexter's
4 tenure, also during McFarlane's and now during Carlucci's, there
5 is a 7:30 office director staff meeting.

6 Q How many people attend that under Admiral Poindexter?

7 A It always averaged around 20, between 20 and 25.

8 Q How long did they last?

9 A From 7:30 to 8:00.

10 Q And did ---

11 A Four days a week.

12 Q Did Mr. McFarlane similarly have such staff meetings?

13 A Yes. They were started by Judge Clark in August of

14 1983 and they have been going ever since.

15 Q Same substantial group of 20 or so?

16 A That is correct.

17 Q At what level, the director level^e and above attended?

18 A Well, one representative from each directorate. That

19 is the standard. Ideally, the senior director would be there.

20 If he or she can't make it, they would send their representative.

21 Q Did Colonel North nearly always attend?

22 A Yes. He was there almost all the time.

23 Q He was not the senior person in his directorate

24 though, was he?

25 A No, he wasn't. He was there because a lot of times

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1 he was working issues that were of interest to the National
2 Security Advisor due to their time sensitivity. His portfolio
3 included terrorism, and it was quite often a relevant topic to
4 be discussed. There was space for him, so he normally showed
5 up.

6 Q Again, maybe there is more than one, but who was his
7 supervisor throughout this '85, '86 period?

8 A His supervisor up until -- I guess until December of
9 1985, would have been Don Fortier.

10 Q And after that?

11 A After that I guess it became Howard Teicher. I am
12 not entirely sure. North was in the Political-Military Direc-
13 torate.

14 Q Right.

15 A His area of -- his geographic area of specialty was
16 Latin American Affairs, so he always came underneath the
17 senior director for Latin American Affairs and that was a
18 number of people through the years.

19 His other portfolio included terrorism and crisis
20 management within the context of terrorism and under that he
21 worked, I guess, for Teicher.

22 Q Would his supervisor frequently attend these meetings
23 as well?

24 A Yes.

25 So, on those occasions when Colonel North would be

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1 there ---

2 A There were both, Latin American and Political-Military
3 Affairs would have been represented.

4 Q Were there notes taken at those meetings?

5 A No, not in a systematic way at all. Those were
6 really, the purpose, the meeting is to face the issues of the
7 day, prepare the National Security Advisor to go meet with the
8 senior staff of the White House and the President and get
9 guidance and talk to the press and things like that.

10 Q Let me get back to some of the legal questions. I had
11 asked you about your legal role and you generally outlined the
12 various areas that you covered.

13 In October 1984, the Boland Amendment, October or
14 so of '84, the Boland Amendment was passed.

15 A Yes.

16 Q During the time that you were at the National Security
17 Council, at the NSC, were there any formal memoranda or any
18 formal responses written advising members of the National
19 Security Council about the Boland Amendment, whether it applied
20 to them, various aspects of the Boland Amendment?

21 A We had some discussion on the Boland Amendment, I
22 know, in 1985. In '84, I don't recall specifically any memos
23 being written for the benefit of the staff, although each time
24 there would be a passage of a legislative bill, regardless of
25 whether it involved Latin America or any part of the world,

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1 normally, these were brought up in the morning staff meetings
2 by any number of staff members concerned about their meaning.

3 Of course, the Boland Amendment affected one of the
4 major policy initiatives of the administration, so it was
5 frequently discussed.

6 Q Was the effect of the Boland Amendment on the National
7 Security Council ever discussed?

8 A Yes, I believe it was.

9 Q Do you recall a specific time when it was discussed?

10 A Well, I believe it was discussed during the summer of
11 1985, when we were responding to a number of Congressional
12 inquiries concerning the activities of North and perhaps others,
13 other NSC staff members dealing with Contra-related activities.

14 Q Were you involved in the responses to the Congressional
15 inquiries?

16 A Yes, I was. I was involved in that I was aware of
17 the fact that we did a search of documents which might have a
18 bearing on the Congressional concern.

19 Q As I recall, there was a spot of activity in the
20 summer of '85 and then another spot or burst in the summer of
21 '86. Is that consistent with your ---

22 A Congressional activity?

23 Q Yes, Congressional inquiry about Oliver North.

24 A That is what I recall.

25 Q Were you involved in both phases in '85 and '86?

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1 A I was involved primarily in '85. That was one when --
2 which Mr. McFarlane actually signed a number of letters to the
3 committees and he also met with the leadership of some of the
4 committees.

5 Q Right.

6 Under Mr. McFarlane, were you the principal person
7 responsible for responding to these inquiries?

8 A Well, it was like all issues that come to the NSC,
9 we have a system by which we use these directorates with over-
10 lapping responsibilities so if a letter came in from Congress it
11 would have been assigned for primary action either to our Office
12 of Legislative Affairs or to our regional office and in this
13 case it would be the Latin American Affairs to draft the
14 response or to do an appropriate memo for McFarlane back to
15 Congress.

16 I would have been down for either concurrence in that
17 response or for information, I can't recall which it was now.
18 At any rate, I do recall seeing the letter. I am aware of a
19 search and I know a number of documents were turned up which
20 were relevant to North's activity, all of which were presented
21 to the National Security Advisor.

22 Q Let me focus just on the summer of '85.

23 A Okay.

24 Q First, in response to the Congressional inquiries, and
25 I guess Chairman Hamilton was among the people who was bombard-
ing the NSC with letters, in response to the Congressional

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1 inquiries in the summer of '85, did you conduct an investiga-
2 tion into the activities of Colonel North with relation to his
3 contacts with the Contras?

4 A Well, what we did was to search within our files for
5 all relevant documents dealing with that matter. We then, I
6 believe, talked to North as well as the rest of the members of
7 his, of the Latin American Directorate to find out the scope of
8 their activities and we then -- I recall them giving the
9 documents, and I believe there were 15 or 20 which would have
10 been relevant to activities as well as the proposed draft
11 response back to Congress, to McFarlane who then took that
12 under advisement and then, I can't recall the sequence, but he
13 then either met with the members or signed the letter or did
14 both during that time. I recall another letter coming back with
15 more questions which were then answered.

16 Q Right. Do you remember what kinds of documents you
17 turned up in the search?

18 A They were all either System 2 or System 4. I can
19 recall specifically a couple of innocuous ones dealing with the
20 visit of Cruz, Calero, and so forth to meet with the President.

21 I really can't recall the content of any of them,
22 but ---

23 Q I take it though that nothing in the documents that
24 you saw alerted you -- let me not use the word "alerted" --
25 caused you to conclude that Colonel North's involvement with

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1 the Contras was excessive?

2 A No. I recall talking to North in my office and he
3 said that it was true that he was, he had made trips down there
4 and that he was familiar with the leadership of the Contra
5 movement, that he and the other members of the Latin American
6 Directorate either accompanied Kissinger or other people to the
7 area, that they considered that to be part of their duties to
8 maintain liaison, gather information, that sort of thing.

9 Q Okay.

10 A On the fund-raising side, I asked him specifically
11 what his involvement was and he told me he did give a lot of
12 speeches to various groups, either at the request of our Office
13 of Public Liaison at the White House or to civic groups, he
14 would show slides and things like that and explain what the
15 plight of either the Contras or the Miskito Indians was.

16 Q Did he tell you whether he had been involved in
17 providing military equipment to ---

18 A As I recall, that was the other thrust of the
19 Congressional interest, tactical military advice.

20 Q Yes. Right.

21 A I can't recall what his specific response was, but he
22 assured me that he was not involved in the technical side of
23 things. He was aware of the status of the military mission.

24 Q By that you mean he was aware of the status of the
25 battles down in Nicaragua?

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1 A Well, no, just overall numbers and things like that,
2 how many Contras, military individuals there were, and, you know,
3 [REDACTED] I don't
4 recall his having any specific combat-related activities.

5 Q Did you, in the course of preparing this response, did
6 you search Mr. North's own office, his personal office?

7 A No, I did not. I relied on a normal system search
8 and that was performed under the auspices of our Directorate of
9 Information Policy, Brenda Reger.

10 Q Do you know whether there was a conscious decision not
11 to search his office?

12 A I am not aware of any decision not to.

13 Q Do you recall anything else that was done to prepare
14 the response to Congress for the inquiries that took place in
15 the summer of '85?

16 A No. It was primarily handled under the direct super-
17 vision of Mr. McFarlane who was very interested in the whole
18 matter because of the Congressional interest, because of the
19 fact that North had been subject to some scrutiny and harassment
20 that had come to McFarlane's attention. McFarlane looked into
21 it personally.

22 Q Did Colonel North ever consult you about aspects of
23 the Boland Amendment?

24 A I can't recall his having done so specifically. As I
25 was saying earlier, the minute there would be a modification to

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1 the Amendment or to the change in the status as to what the
2 government could or could not do, that was being looked at.
3 None of these things were done in a vacuum. They were all the
4 result of a carefully, very extensively lobbied effort on the
5 part of the administration and then they were passed the very
6 next day at the staff meeting. Either Department of State, CIA
7 or Defense would be coming forward with a position memo on
8 pieces of paper as to what people could or could not do. So,
9 people generally knew immediately what the extent of their
10 limitations were.

11 Q Okay.

12 You don't remember having a specific conversation
13 with Colonel North where he came to you and asked whether
14 specific things were permissible?

15 A No, I don't remember anything like that.

16 Q Did you have conversations with Mr. McFarlane about
17 specific applications of the Boland Amendment, if you recall?

18 A I can't recall. I do recall when I presented him with
19 documents which we had retrieved from the system I also presented
20 him with a copy of the existing legislation, whatever it was
21 at the time, and I believe we had a discussion on whether that
22 would apply to North.

23 As I recall, there was at the time some question as
24 to whether or not that would apply to members of the NSC and
25 I think McFarlane's solution, which I agreed with, was that,

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1 whether it was intended to or not, we would consider that it
2 applied to members of the NSC. I think we pointed out that
3 since North was a military officer it should apply to him any-
4 way. Just because he was on detail to the White House, that
5 wouldn't remove him from that restriction. It was both DOD and
6 CIA -- perhaps I am thinking of the humanitarian aid.

7 Q No. I think you are right. I think it refers to
8 the DOD, CIA, or any intelligence agency.

9 A Yes. I believe we even put that in the letter or at
10 least made that representation to the members that whether it
11 applied or not, we considered it to apply. I really haven't
12 seen that file for a long time.

13 Q Other than that occasion where you discussed it with
14 Mr. McFarlane in preparation for the response to the letter,
15 do you recall discussions with him about the Boland Amendment
16 and how that would apply to the NSC?

17 A To the NSC.

18 Q Yes, to the NSC or restrictions the Boland Amendment
19 might place on NSC staff activities?

20 A No, I don't recall any discussions.

21 Q How about Admiral Poindexter?

22 A No. Normally, the National Security Advisor, his
23 position or his role was to find out what he could do to help
24 persuade Members of Congress to change the legislation, but
25 once it was passed and that was the law, that would be the end

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1 of his involvement.

2 Q As part of your role as legal advisor, were you also
3 aware and involved in Congressional notification provisions
4 under the military sales statutes?

5 A Not usually, no. Those were done either by Department
6 of Defense or Department of State.

7 Q So, you don't think that you were involved in those?

8 A No, no, I know I was not involved.

9 Q In August, late August and early September of 1985, it
10 has now been reported and generally accepted as true, that Israel
11 sent various TOW missiles to Iran. Were you aware that that
12 was occurring at the time?

13 A No.

14 Q When is the first that you heard about the August,
15 late August or early September missile transfers, as best you
16 recall?

17 A Some time in November of '86 when it was all being
18 discussed.

19 Q I am going to go ahead and ask you for each of the
20 subsequent ones just so the record is clear, but I anticipate
21 your response is going to be the same.

22 A Sure.

23 Q It was also reported a transfer was made from Israel
24 to Iran of HAWK missiles in November of 1985. I can't remember
25 the exact date, 24th or something.

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1 A I think it was the 18th.

2 Q 18th, might have been.

3 A 18 missiles.

4 Q It may have been on the 22nd or 23rd or 24th, when is
5 the first you learned that that was taking place?

6 A Same, in mid-November, '86.

7 Q And were you aware that in February of '86 there was
8 a transfer of a thousand TOWs or so from the United States to
9 Iran?

10 A No.

11 Q And were you aware that McFarlane was -- took a trip
12 in late May '86? Were you aware at the time the trip took place
13 and McFarlane took a trip?

14 A Yes.

15 Q Were you aware that as part of that he was transport-
16 ing HAWK spare parts to Iran?

17 A No.

18 Q Let me ask that question more generally. Were you
19 aware that that was, that he was transporting military goods of
20 any kind?

21 A No.

22 Q When is it that you first learned about McFarlane's
23 trip to Iran in late May of '86?

24 A Shortly before he went.

25 Q Let me back way up and come back to that.

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1 On January 17, 1986, there was a finding signed by
2 the President regarding Iran and it permitted various activities
3 and permitted delayed notification of the finding. When is it
4 that you were first aware that that finding was signed by the
5 President?

6 A The first time I physically saw the finding was the
7 following Monday which would have been the 20th of January?
8 Yes, I think he signed it on the 17th.

9 Q Were you involved in the drafting of the finding?

10 A No.

11 Q Monday is the 20th?

12 A Monday, the 20th of January, yes.

13 Q Let me ask you a general question. Were you consulted
14 with respect to the signing of the finding?

15 A No. Let me state very specifically my recollection
16 and I want to do this because I have been so involved in the
17 chronology and in discussion of it during November that it is
18 hard for me also to distinguish from what I learned after the
19 fact.

20 Q Okay.

21 A I can recall very vividly on Thursday night, the 16th
22 of January that I was called by Admiral Poindexter on the inter-
23 com to quickly research the status of the current arms embargo
24 to Iran and I did that primarily by looking up to see whether
25 or not the Carter Executive Orders were still in effect.

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1 And I also, I believe, had a conversation with Arnie
2 Rayfall over at the Department of State who was involved in
3 Middle Eastern affairs, just to confirm the fact that the Carter
4 EO was still in effect, it had been renewed on an annual basis
5 by the President.

6 Q And that was in effect?

7 A That was my finding. I did go into Admiral Poindexter's
8 office and in there were Admiral Poindexter, Director Casey,
9 Stan Sporkin, General Counsel of CIA, Secretary Weinberger, and
10 Attorney General Meese. They had been in there for some time
11 and I went in and Mr. Meese met me at the door and said, Is it
12 still in effect?" or words to that effect and I said, "Yes, it
13 is."

14 I believe at the time he asked me also whether or not,
15 or else Weinberger asked me whether Iran was on the terrorist
16 list. I can't remember my response. Any way, we had a brief
17 exchange. I then left. So my time in the room was perhaps five
18 minutes at the most.

19 At the time I was not aware that my research was
20 related to a finding. I then saw -- that answers your general
21 question.

22 Q Right.

23 A I then, on the 20th of January, was given the finding.
24 I went down to the Situation Room at the White House and I
25 showed it to three individuals from CIA.

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1 Q Do you recall who you showed it to?

2 A Yes, I do. It was ^{Clair}~~Clair~~ George, I believe he was the
3 DDO, [REDACTED] who I believe was the Middle Eastern expert,
4 and to Stan Sporkin, also, who came down.

5 Q Do you know the reason that you showed it to them?

6 A I suspect it was so that they could see that the
7 President had in fact signed it and they could then go execute.

8 Q Did you have custody of it?

9 A I had it during the time I took it and showed it to
10 them and I returned it to Admiral Poindexter.

11 Q And immediately prior to showing it to them you
12 obtained it from Admiral Poindexter?

13 A Yes.

14 Q And showed it to them and returned it to Admiral
15 Poindexter?

16 A Yes.

17 Q Did you have any discussion with them at the time you
18 showed it to them?

19 A The only discussion is ^{Clair}~~Clair~~ George asked about
20 reporting and Stan Sporkin pointed out to him the clause which
21 said the President directed that there would be no immediate
22 reporting.

23 Q Do you recall any discussion at that time about how
24 long that would be, how long that time would be?

25 A No, I don't. There really wasn't, that question

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1 really wasn't asked for how long. It was just, the big operative
2 question of concern at the time was this item that required
3 immediate reporting.

4 Q Did you know that a finding had been signed on
5 January 8, signed dated January 8?

6 A Not at the time, no.

7 Q Did you learn that in mid-November '86?

8 A Yes.

9 Q I think you answered this, but as of the time that
10 you were called in and given this request to do some research on
11 the evening of January 16th, did you know the reason that you
12 were being asked to do the research?

13 A No.

14 Q Did you have any conversations with Admiral Poindexter
15 after January 17 or after about the reporting requirement?

16 A Yes, there was one conversation, I think it was, I
17 believe it was the night of the 20th.

18 Q Would this have been before or after you showed ---

19 A After. I showed it to them at 3:00 in the afternoon
20 and it would have been -- I believe that was a holiday, I
21 believe that was the first Martin Luther King holiday. But I
22 seem to recall that night talking to the Admiral about the
23 philosophy of using the National Security Act to have the
24 President direct an action such as this. One aspect of the
25 finding, I believe, called for third parties or third countries.

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1 Q I think both.

2 A Yes. And we talked about the pros and cons of having
3 the third country or the third party being an adversary as
4 opposed to a friend of the United States. I said it is ironic
5 that we always end up dealing with our adversaries when we
6 could just as easily or just use the same devices or mechanisms
7 to deal with our friends. In other words, we could deal with
8 our friends in a covert manner if we wanted to instead of
9 always with our adversaries.

10 And I think the thrust of that was in the case like
11 this if we are going to deal with Iran, why not deal with
12 Israel instead of with Iran and I think his point was that the
13 third party was sufficiently vague so that it was not problematic.

14 Q Let me phrase it this way: One of the differences
15 between the January 6th finding and the January 17th finding
16 was the addition of the words "or third parties," as I recall.

17 A Yes.

18 Q Did you have a conversation with him about why that
19 was added as opposed to just dealing with third countries?

20 A No, no, not specifically that part of it. I now am
21 familiar with where it was handwritten in. It seemed the party
22 discussed with him was in the upper section where we talked
23 about the capability of dealing with -- perhaps it is not. I
24 can't remember any more, whether it appears above that paragraph
25 or not on the third countries, but I do recall talking about

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1 that at any rate.

2 Q From the time of signing of this finding on January
3 17 of 1986 through mid-November, were you involved at all in
4 what has now been called the Iran initiative?

5 A No, not really. I was, you know, as it turns out I
6 was in and out of discussions in which I would be in parts of
7 meetings or parts of discussions dealing with aspects of the
8 initiative. It is very hard to be specific. Sometimes it
9 would be as simple as North's dropping in the office to report
10 on a meeting that he had overseas, sometimes it was to assist
11 in a phone conversation dealing with a hostage release. I
12 always traveled with the National Security Advisor and the
13 President, so a lot of times these calls would come in the
14 middle of the night, especially if they pertained to a hostage
15 release. So, I inevitably got involved with the logistics side
16 of it, sometimes without being aware of what it was.

17 Q Was this initiative discussed in the morning staff
18 meetings?

19 A No.

20 Q It was not?

21 A No.

22 Q Did you have access to [REDACTED]
23 [REDACTED]

24 A I had access. I could have access to it.

25 Q I guess I phrased it wrong.

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1 A I guess it did, yes.

2 Q Did you ---

3 A No, it was never addressed to me. It was usually
4 eyes only to the Admiral.

5 Q So, you were not routinely reading [REDACTED]

6 [REDACTED] with respect to the initiative?

7 A No.

8 Q From the period of January '86 to mid-November '86,
9 did you hear from anyone at any time about a proposed or actual
10 diversion of proceeds from the sale?

11 A No, absolutely not.

12 Q North never told you that he was proposing a diversion?

13 A No.

14 Q And to avoid a loaded word, I guess I should say, a
15 transfer of the part of the sales price to the Contras?

16 A No, I was never aware of any of that.

17 Q Okay.

18 Do you recall ever being asked the following question,
19 this is in the fall of '85 or early '86 -- I suppose it would
20 have come to you in a hypothetical, but I will give it to you
21 with countries inserted -- whether if the United States had
22 sold weapons directly to Israel knowing that they were going to
23 be transferred to Iran, whether that would have required some
24 reporting requirement to the United States Congress?

25 A I was never asked that question.

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1 Q You were not?

2 A No.

3 Q I can't remember if I asked you about whether or not
4 -- I expect the answer is no -- whether or not you were aware
5 that in December of '85 the CIA had indicated their view that
6 there was a necessity for a finding to cover the November '85
7 activities?

8 A Right. I was never involved with that either.

9 Q Were you ever consulted prior to again mid-November
10 '86, after the signing of the finding, about how long the White
11 House could delay notification under the January 17, 1986 find-
12 ing?

13 A No, I was not, not consulted under that.

14 Q In the summer of 1986, as I have been told by our
15 sources, I think that you actually appeared before Congress,
16 before HPSCI to testify; is that correct?

17 A Yes. It was a briefing, I believe.

18 Mr. Raul. I believe it was an interview, not ---

19 Mr. Eggleston. I withdraw the word "testify." A briefing
20 of some nature.

21 The Witness. I provided a briefing to several Members of
22 the Committee.

23 BY MR. EGGLESTON:

24 Q It was not a testimony under oath, is that correct?

25 A No, that is correct.

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1 Q Do you recall whether it was transcribed?

2 A I don't think it was, no. No, I appeared up there
3 with Ron Sable?

4 Q Was that again with reference to questions about
5 Colonel North?

6 A No.

7 Q What was the purpose of that?

8 A It had nothing to do with North. It had to do with
9 the alleged disinformation campaign that was directed against,
10 appearing in the press at the time and Chairman Hamilton wanted
11 to find out some of the background as to how the thing came about
12 so I went up and explained it to them.

13 Q So you never appeared before Chairman Hamilton or
14 before the House Permanent Select Committee personally with
15 respect to Oliver North?

16 A No. I don't think I did. I may have accompanied
17 McFarlane up here, up there when he had his meeting with him
18 in '85. I really can't recall that. They all came to the White
19 House in '86. They met with North and I was not there.

20 Q Were you involved -- was that again in the summer of
21 '86?

22 A Yes. That was in response to the resolution.

23 Q Resolution of inquiry?

24 A Yes.

25 Q And were you involved in the preparation of the

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1 response to that resolution of inquiry?

2 A Yes. We put together a book of all documents and
3 other items pertaining to North's activities, I should say all
4 official records and documents, and we made North available to
5 the committee. He met, in fact, with the Chairman and other
6 members in the White House Situation Room. I was not there at
7 the time. I was on the West Coast with the President, but the
8 Deputy Legal Advisor, Robert Pearson, attended that meeting on
9 my behalf and also our legislative people were there and North
10 himself was made available for any questions they might have.

11 Q Do you recall what kind of investigation was done to
12 prepare for that meeting? I take it the systems were checked
13 again?

14 A Yes.

15 Q For the relevant files?

16 A We checked the systems, got out the previous corres-
17 pondence and this time it was Poindexter who was in charge and
18 he talked to North.

19 Q How do you check the systems?

20 A You do a computer search, actually feed in key words.

21 Q Is your system, I guess what you call full text, or is
22 it by document title?

23 A It is document title, key words basically.

24 Q Key words in the titles? You don't have the full text
25 of all the materials?

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1 A That is true. However, if you feed in the word
2 "Nicaragua" or "North" and "Contra" and two or three other items,
3 then it spits out every possible title that any of those would
4 fall under.

5 Q So, in preparation for the summer of '86 visit by
6 Members of HPSCI, you conducted again a systems search?

7 A Yes.

8 Q I take it again you did not search Mr. North's,
9 Colonel North's office?

10 A No.

11 Q Did you interview Colonel North again?

12 A I can't recall personally interviewing him. I know
13 that when the resolution was passed it may have been discussed
14 at a staff meeting or at a smaller meeting attended by our
15 legislative people and Admiral Poindexter and North. And we
16 discussed how we were going to deal with the resolution. I
17 think it was referred to three committees. We wanted to be as
18 responsive as we could because I believe it was passed on the
19 eve of the Contra vote up here in either April or May, and we
20 were eager to be as responsive as we could. The big question
21 was, since we did not have McFarlane there who had taken it on
22 in earlier years to meet with the committees, the question was
23 would we make North available, which is what they always wanted
24 to do, was to talk to North directly. And we made a decision
25 that we would.

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1 Q Who attended that meeting?

2 A That would have been the discussion between our
3 legislative director, Ron Sable, and probably Bob Pearson, the
4 deputy counsel, and Admiral Poindexter.

5 Q Would that have included North as well?

6 A Probably.

7 Q Do you recall any discussion about what questions he
8 would likely be asked by the Members of Congress?

9 A Well, we expected what the resolution contained would
10 certainly be asked. Plus, we expected to go much wider than
11 that. I don't think we had any conditions put on it at all. I
12 believe there was also a memo prepared by Ron Sable to Admiral
13 Poindexter recommending that he contact Chairman Hamilton and
14 make North available or something to that effect. I think that
15 is what eventually transpired.

16 As in all these cases, we have to work out how we are
17 going to best make people that are potentially subject to
18 executive privilege available to Congress.

19 Q I understand.

20 A That seemed like a good compromise, just to open it
21 up to questions.

22 Q Do you recall whether there was a conscious discussion
23 not to search his office, Mr. North's office, in response to
24 the resolution of inquiry?

25 A No, I don't. I don't recall that. Normally, searching

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1 the office has almost a connotation of a criminal aspect to it
2 or something. We would have to really have a greater cause to
3 go over and do something like that. Having him appear before
4 the National Security Advisor and explain his actions which he
5 did in two subsequent years seemed to be sufficient.

6 Mr. Raul. If I could interject for a second for clarifi-
7 cation, Commander, do you know whether anyone might have asked
8 North to search his office or whether anyone else searched his
9 office?

10 The Witness. No, I don't. You know, the way our systems
11 are -- our file systems are kept, any copies of documents that
12 North would have would be either entirely out of the system
13 which I guess is what you are getting at, or we would have the
14 record copies of them anyway. So, if you are talking about his
15 working papers or anything that might be incriminating that he
16 would have tucked in his briefcase or in his desk, no, we
17 never did that sort of thing.

18 BY MR. EGGLESTON:

19 Q I want to ask you whether you, during the course of
20 '85 or '86, had meetings or conversations with some disparate
21 group of people. I am asking whether or not you had conversa-
22 tions or meetings with each one. I am not asking whether you
23 had meetings with all of these people at one time.

24 Did you ever meet with Adnan Khashoggi?

25 A No.

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- 1 Q Or speak with him?
- 2 A Never.
- 3 Q How about Mr. Ghorbanifar?
- 4 A No.
- 5 Q Mr. Schwimmer?
- 6 A No.
- 7 Q Mr. Nimrodi?
- 8 A No.
- 9 Q Nir?
- 10 A Yes.
- 11 Q Let me get back to him. Mr. Ledeen?
- 12 A Yes. Ledeen, you said?
- 13 Q Yes, Michael Ledeen.
- 14 A Yes.
- 15 Q Tiny Rowland?
- 16 A No.
- 17 Q When do you recall having a meeting with Mr. Nir?
- 18 A I met Mr. Nir.
- 19 Q Okay.
- 20 A That would have been early January of '86. I believe
- 21 he came to the White House to meet with Admiral Poindexter and
- 22 he came to my office first and we chatted for a few minutes.
- 23 Q Do you recall the subject matter of your conversation
- 24 with him?
- 25 A No. It was just amenities.

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1 Q Did you attend the meeting that he then had with
2 Admiral Poindexter?

3 A No.

4 Q Did Admiral Poindexter tell you afterwards what
5 the meetings was about?

6 A No.

7 Q And any other times that you met with Mr. Nir that
8 you recall?

9 A No. That was the only time I ever saw him.

10 Q How about Michael Ledeen?

11 A Well, I used to see Mike Ledeen occasionally,
12 especially when McFarlane was the National Security Advisor.
13 He would come around on Saturdays to have meetings with
14 McFarlane and he and I would chat. It happened several times,
15 but that was the extent of it. I was involved in his suitability
16 to be a consultant to the NSC early on. He has some lingering
17 problems, I believe, with the Italians as far as his background
18 goes.

19 Q I seem to recall that in the newspaper.

20 A Yes, I had to look into that just to ascertain
21 whether or not he would be acceptable from a security point
22 of view to get a clearance and I also conferred with the deputy
23 counsel to the President, Dick Houser, as to whether or not he
24 should be given a White House pass.

25 Q And I take it that the conclusion was made that he

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1 was not a security risk?

2 A That is correct.

3 Q He was a consultant to the National Security Council
4 for terrorism-related issues?

5 A That is right.

6 Q Did you know the reason he was meeting with Mr.
7 McFarlane in 1985?

8 A No, I don't. I didn't at the time.

9 Q What you know now is from reading the Tower Commission?

10 A I suspect he was in there talking about various
11 initiatives. He was also a friend of McFarlane's, personal
12 friend.

13 Q In the fall of 1986, around the time of October 4 or
14 5 of 1986, a plane in which a man by the name of Hasenfus was
15 riding was shot down in Nicaragua. Thereafter, if you recall,
16 there was a substantial trial and all sorts of public materials.
17 Around this time it is my understanding that the Department of
18 Justice, and the principal investigative agency was the United
19 States Customs Service, began an investigation or I should say
20 was involved in an investigation into a commercial cargo
21 company called Southern Air Transport.

22 Were you aware in the fall of 1986, October of '86,
23 that such an investigation was on-going?

24 A I don't think I was, no.

25 Q Let me just ask you a few specific questions, although

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1 I suppose now I know what your answer will be. There are some
2 documents which suggest that members of the NSC staff may have
3 contacted the FBI about slowing up that investigation into
4 Southern Air Transport. Were you aware of that at that time?

5 A No.

6 Q Did you have any involvement in that at the time,
7 assuming that what I have told you is true?

8 A No, I did not.

9 Q Did you indicate to me that you did not know Admiral
10 Poindexter prior to the time that you began working at the NSC?

11 A That is right. I met him in June of 1983.

12 Q Did you become social friends with Admiral Poindexter?
13 Ever see him out of work?

14 A No. I have never even been to his house and I have
15 never been to any non-NSC related events with him, social events,
16 although I would describe myself as being certainly close to him.
17 When we were on the road we always ate and traveled together,
18 so I have had several meals with him in a social environment
19 while on the road.

20 Q And where did you travel with him frequently?

21 A Yes. Everywhere he went, I traveled with him, so I
22 have been, I have probably spent five or six weeks traveling
23 with him.

24 Q So, you were part of the group of people who always
25 traveled?

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1 A Yes.

2 Q Did you become close to Mr. McFarlane?

3 A Yes. I would probably say I became closer to Admiral
4 Poindexter than I did to Mr. McFarlane, but I similarly traveled
5 extensively with Mr. McFarlane, also for probably six or seven
6 weeks out of the year.

7 Q Did you become social friends with Mr. McFarlane?

8 A Similar to my relationship with Admiral Poindexter,
9 it was a professional one more than a social one.

10 Q How about Colonel North?

11 A No. All of us on the NSC staff have a collegial
12 relationship to each other, but I never socialized with North
13 either other than at NSC, White House events.

14 Q Did you travel with Colonel North?

15 A I did. I went to Central America with him twice.

16 Q Did you go to Central America with Colonel North at
17 times when Admiral Poindexter or Mr. McFarlane were not present?

18 A No.

19 Q So, you only went on two occasions?

20 A I was only there because the National Security
21 Advisors were there.

22 Q Those were two trips?

23 A Yes.

24 Q Do you remember when those were?

25 A Sure. The first one with McFarlane was mid-January
of '85.

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1 Q Where did you go?

2 A Well, we went to five countries in two days. We went
3 to Panama, and then -- actually, our first stop was Guatemala
4 and we spent the night in Panama, and the next day we went to
5 El Salvadore, and spent that night in Honduras, and then went
6 to Costa Rica and went home.

7 A year later in December of '85 -- yes, December '85
8 around the 18th or so I went to the same five countries with
9 Poindexter in a little shorter time.

10 Q And was Colonel North on both of those trips?

11 A Yes.

12 Q You have indicated that in the summer of '85, or '86,
13 you did some investigation into Colonel North's activities with
14 respect to the Contras in response to Congressional inquiries.

15 A Yes.

16 Q Did you have any other -- did you have any knowledge
17 apart from that about his involvement with the activities
18 relating to the Contras?

19 A Well, I knew he was very much in favor of helping out
20 the cause, the Contra cause. When the Congress passed the
21 Humanitarian Assistance money, the \$27 million, there was some
22 question as to whether or not that particular program could not
23 be administered out of the White House, rather the National
24 Security Council and North consulted me as to whether that
25 might be do-able. I recall joining in with the opinion of my

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1 counterparts from, I believe, CIA and State in agreeing that it
2 was not a good idea at all that it be administered from the
3 White House. And the Nicaraguan Assistance Office, whatever it
4 was called, ended up being run out of the State Department. So
5 I was aware that North was very involved. I know he sat on the
6 inter-agency group of individuals interested in advancing the
7 Administration position in Central America and he was an active
8 member of that.

9 Q Prior to the summer of -- prior to November of 1986,
10 had you heard of a company called Lake Resources?

11 A No.

12 Q Or Udall?

13 A No.

14 Q I will go down the list. Of Toyco?

15 A No.

16 Q Or Hyde Park?

17 A No.

18 Q Had you heard of a company called [REDACTED]

19 [REDACTED]
20 A No.

21 Q Did you during 1985 or -- '84, '85, or '86, I think
22 I asked you this, but in a slightly different way. I think I
23 asked during the period of time you were in the Office of the
24 Secretary for Legislative Affairs, but did you in '84 through
25 '86 meet Richard Secord?

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1 A I met Secord once at the White House and that must
2 have also been in January of '86, but I just can't recall when
3 it was. He came by and it may have been right around the time
4 that the finding was actually signed and I showed it to the
5 CIA representatives, I believe I saw Secord. He came to the
6 White House.

7 Q Do you know who he had come to the White House to see?

8 A I suspect -- I believe it was with Ollie North.

9 Q He was with North?

10 A Yes.

11 Q Had you ever met him before that time?

12 A No, I never met him before.

13 Q Did you have a conversation with him then?

14 A Once again, I think we just exchanged amenities. I
15 can't recall whether it -- I believe we sat down with Admiral
16 Poindexter in January of '86. There may have been a meeting
17 in Poindexter's office or North brought him up to the office
18 area and I can't recall any of the other details. But I did
19 meet him.

20 Q Do you think -- we are not calling for speculation --
21 do you think there may have been a meeting between Secord and
22 Poindexter in Poindexter's office?

23 A There might have been, yes.

24 Q If there was such a meeting, I take it you don't
25 recall the content of the meeting.

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1 A No.

2 Q Did you attend the meeting, if there was such a meeting

3 A No. I think I did, that is why I am trying to recall

4 more. It may have just been a, you know, a hand-shaking

5 situation. You know, Admiral Poindexter in that time was, had

6 only been in the office for about a month and he was trying to

7 structuralize as much as he could the various initiatives and

8 items that we were involved with across the board in arms

9 control and every other area. I think he was meeting and hold-

10 ing a lot of courtesy calls in that time. I think that is why

11 Nir was there and I suspect that is why Secord came.

12 Q Did you know at that time what Secord's relationship
13 was with the NSC?

14 A No.

15 Q Did there come a time prior to November '86 when you
16 learned anything about Secord's relationship to the NSC?

17 A Well, I seem to recall his name coming up occasionally

18 by North through conversations he had with the Admiral. As

19 I recall, Secord's name came up, but I can't recall much else.

20 Q Was it in the context of the Iran initiative?

21 A Yes. Yes.

22 Q Do you recall him ever being mentioned in connection
23 with the Contras?

24 A No.

25 Q Were there any other times other than that one time

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1 that you met Secord?

2 A That was the only time.

3 Q Did you meet Albert Hakim?

4 A No.

5 Q Again, I asked you about these two, but I think my

6 question was confined to the earlier time pre-'83, Robert

7 Dutton?

8 A Yes. Never met him.

9 Q Richard Gadd?

10 A No.

11 Q How about Tom Clines?

12 A No.

13 Q Edward DeGaray?

14 A No.

15 Q Did you ever meet during the period of time that you

16 were there Felix Rodriguez?

17 A No.

18 Q He appears to have the most well-known alias of any-

19 one, Max Gomez.

20 A No.

21 Q Ramon Medina?

22 A No.

23 Q Or Rafael Quinteros?

24 A No.

25 Q Never met any of them?

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1 A Not to my knowledge, unless I was in a group with
2 them in Central America.

3 Q But to your knowledge you have not met him?

4 A No.

5 Q Do you recall Ollie North talking about any of them
6 other than Richard Secord?

7 A No.

8 Q Did you ever hear North refer to Secord as under a
9 different name, a name Copp?

10 A Yes. In fact at one time I had a list of code names
11 by which all these players went under including the President
12 and all the major players in the national security community,
13 so I was generally aware of some of these names.

14 Q And did you know in what context that list had been
15 prepared? Do you know the purpose of it? Did you know the
16 purpose for the preparation of the list? Did you know it
17 related to the Iran initiative?

18 A Yes, I believe I did because North was usually, when
19 he was traveling he would leave that with me or if we traveled
20 he asked me to take it with me so we could communicate with him
21 if necessary.

22 Q Did you communicate with North when he was off working
23 on the Iran initiative?

24 A Yes, we would occasionally receive messages or cables
25 or very classified phone conversations.

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1 Q And I don't want much detail about this, but did
2 those messages that you received relate to the operation of the
3 Iran initiative, the operational details of the Iran initiative?

4 A Yes, it seemed that they had to do with logistics
5 matters, the authority to approve, some sort of transaction,
6 perhaps a shipment, or they would pertain to the release of a
7 hostage.

8 Mr. Eggleston. This might be an appropriate time for a
9 brief break.

10 (Brief recess.)

11 Mr. Eggleston. Back on the record.

12 BY MR. EGGLESTON:

13 Q Let me just ask you a few more questions about Colonel
14 North's involvement in the Contra resupply operation. I would
15 ask you questions about the time period of November, essentially
16 late October to November '86.

17 A Okay.

18 Q Then I will turn it over to Mr. Van Cleve.

19 I just want to ask you now whether you, during the
20 course of 1984, '85, '86, met any of the following individuals
21 and whether you had contact with any of them, Carl Channell,
22 who has a nickname of Spitz, apparently.

23 A No.

24 Q He has two organizations called the National Endow-
25 ment for the Preservation of Liberty and the American Conservativ

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1 Trust. Did you have any involvement with any of those entities?

2 A Never heard of him.

3 Q Robert Owen?

4 A Never heard of him.

5 Q For a period of time he might have been an associate

6 of a consultant or something to the NSC, although that is

7 uncertain. You don't know him?

8 A No.

9 Q I must be wrong then about that.

10 Did you know a man by the name of Andrew Messing?

11 A No.

12 Q Dan Kuykendall?

13 A No.

14 Q Did you know a company by the name of IBC International

15 Business Communications?

16 A No.

17 Q Richard Miller, Frank Gomez?

18 A No.

19 Q Did you ever speak at any of these civic groups about

20 which Colonel North told you?

21 A Did I ever speak?

22 Q On Contra issues, public speeches on Contra issues?

23 A No.

24 Q No, do you recall any discussion or were you consulted

25 by anyone in '85 or '86 about the issue of soliciting private

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1 money in order to support the Contras?

2 A I don't remember any discussions.

3 Q You don't remember anyone consulting you on that
4 issue?

5 A No.

6 Q Do you remember any discussions in your presence that
7 did not result in you being consulted?

8 A I don't recall any, no. Most items dealing with that
9 regional problem were dealt with in the inter-agency group that
10 was set up to study it.

11 Q Who was in that inter-agency group?

12 A Well, I don't know very many of the players. I do
13 know from State, Elliot Abrams, I think, was the chair of it,
14 and prior to him, I believe, Otto Rank and some of his people
15 were involved. From CIA, I believe it was [REDACTED] but I
16 am not positive that he was the only one involved. I don't
17 know who the representatives might have been from other agencies.

18 Q I take it North was from ---

19 A North was an active member and Ray Burkhardt who was
20 the Senior Director of Latin American Affairs may have also been
21 involved. But the way we worked, we live and die by the inter-
22 agency process, as the Congress does by committee, I guess, and
23 we relied on the inter-agency recommendations to advise us of
24 the status of situations down there, our relations with Congress
25 and what was going on. So, the chairman of that particular

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1 inter-agency group would have gone to his in-house lawyer for
2 most of the legal advice. They would not come to me, normally.

3 Q So, by "in-house lawyer," you mean the lawyer
4 associated with that individual's agency?

5 A If it is chaired by State, he would go to the State
6 legal advisor.

7 Q You don't think this group had its own legal advisor?

8 A I doubt it. No, I am not familiar if they did.

9 Q Similarly, do you recall ever being consulted about
10 the issue of third country solicitations?

11 A No.

12 Q Similarly, you don't recall being consulted on that
13 issue about third country assistance in aid to the Contras?

14 A No.

15 Mr. Raul. Can we go off the record?

16 Mr. Eggleston. Sure.

17 (Discussion off the record.)

18 Mr. Eggleston. Back on the record.

19 BY MR. EGGLESTON:

20 Q Did you go to the Tokyo Summit?

21 A Yes.

22 Q And that is because Admiral Poindexter went to the
23 Tokyo Summit?

24 A Yes.

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Q Let me direct your attention to mid-October of 1986, there is an event referred to in the Tower Commission report where Charlie Allen, whose name I think is not protected, refers to Casey, to Director Casey, that he may have had some concerns about a diversion.

A Yes.

Q Were you aware of that in mid-1986, October '86? Had you be advised of that?

A No.

Q Had you been consulted on that in any fashion?

A No.

Q I believe that that concern resulted in the meeting between Gates, Poindexter and Casey.

A Yes.

Q And have you read about that in the Tower Commission?

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1 Do you know the event I am talking about?

2 A No. I learned about it in November, I think at the
3 very end.

4 Q During the course in time that you were involved?

5 A At the very end of that course, around the 25th
6 probably is when Admiral Poindexter told me.

7 Q But prior to that time you had not -- you were not
8 aware of this concern by Mr. Allen?

9 A No.

10 Q That there may have been a diversion?

11 A No.

12 Q Now, there comes a time in early November 1986 when
13 at least in a ~~Berlin~~ newspaper or magazine, whatever it is
14 that has now become famous, certain details were revealed
15 about McFarlane's trip.

16 A Yes.

17 Q Did you become involved in this process shortly
18 after that?

19 A Yes.

20 Q And what was the nature of your -- maybe I will let
21 you brief me or go through in your own fashion the process of
22 your involvement from early November through late November 1986.

23 A Well, the first operative event was the release of
24 the hostage, Jacobsen, which I believe occurred late on Saturday
25 night in early November. And I was in Santa Barbara at the


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1 time with Admiral Poindexter and the President was up at the
2 ranch and we were in contact all night long with the Situation
3 Room back in Washington where there were some staff members who
4 were relaying information to us which they were receiving on
5 the ground in Lebanon and from North, wherever he was, both by
6 telephone and PROFs notes and secured calls and I was basically
7 the point of contact, so I spent virtually the whole night in
8 Santa Barbara going back and forth to the communications center
9 from my room relaying messages and at the same time talking to
10 the other players, Larry Speakes, I can't remember whether Don
11 Regan was there or not, I suspect he was, Poindexter, we had a
12 number of conference calls all night long and we kept discussing
13 whether or not we would get the hostage Jacobsen out and how it
14 would happen and so forth.

15 I believe now that I think about it Regan had gone
16 back to Washington to be on a talk show. At any rate, sometime
17 towards morning I believe we got Jacobsen released and then it
18 became a question of when and how to announce it. I believe
19 Larry Speakes did it that Sunday morning and that prompted
20 immediate interest from the press as to how it happened.

21 I recall a lot of questions regarding 
22 questions regarding Syrian involvement. Regan went on a talk
23 show that day and said, when asked, that the Syrians had very
24 little to do with it and then immediately focused the press's
25 attention on who else in the Middle East might have been

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1 involved. [REDACTED]
2 [REDACTED]

3 I can't recall whether the newspaper article you referred
4 to in the Lebanese magazine was before or after that, but at
5 any rate by either that Sunday night or Monday there was
6 tremendous press interest in whether or not the Iranians were
7 involved in the release and I believe it was on Monday that the
8 Speaker of the Iranian parliament, Rafsanjani, gave a long
9 speech in which he divulged several facts involving the
10 possibility of U.S. dealings, governmental dealings with Iran.
11 He divulged the McFarlane trip that he said occurred in Septem-
12 ber and he talked about symbolic items such as the cake and
13 the Bible and so forth.

14 We in the meantime had left Santa Barbara and had
15 gone to L.A. to campaign. The President gave his last campaign
16 appearance that afternoon. I believe on Tuesday we then had
17 ample discussion with the experts involved back on our staff
18 and decided that the message coming from Iran in the form of
19 Rafsanjani's speech and other messages being passed through
20 intermediaries back to us were that the official U.S. government
21 response to this revelation should be "no comment." That is
22 precisely what we tried to do for several days, was to "no
23 comment."

24 We thought the message from Rafsanjani was intended
25 for domestic consumption and that he was putting enough

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1 inaccuracies in what he said to cause us to believe that he was
2 intending to send us a signal that he knew that we knew that
3 what he was saying was not accurate.

4 So, we then, the first item we had to comment on was
5 whether or not we had still in effect the arms embargo to Iran
6 and I recall on Air Force One a statement was drafted up in
7 which we said we did in fact still have an arms embargo and
8 that we were not in favor of either side winning the Iran-Iraq
9 War, or words to that effect, which Larry Speakes went back and
10 gave to the press on board Air Force One.

11 We then arrived in Washington and for the next
12 several days the press interest heightened, Congressional
13 interest heightened, and it became obvious that it would be
14 necessary to put together a presentation of all this information.

15 At that point from my vantage point this had been,
16 the Iranian initiative had been just that, a covert operation
17 pursuant to a finding which was carried out primarily by the
18 CIA and one for which they had primary logistic responsibility,
19 one which the NSC staff, either in the form of North's or
20 Teicher or McFarlane was, or Poindexter, was one of obvious
21 interest from a policy point of view, but not that much
22 different from most of the other initiatives we have around the
23 world.

24 So, it became quite a normal challenge for us to
25 assemble all the facts, put them together in some coherent way

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1 and to start presenting it to the various groups that were
2 asking us, the press, the Congress, et cetera.

3 Q Do you recall approximately when it was that you had
4 -- you had said a couple days or several days later -- do you
5 have a recollection about when it was that you started your
6 process of actually putting the chronology together?

7 A Well, no, I can't recall precisely. It seems that we
8 got pretty much through that week. The election was on Tuesday,
9 we then had the rest of that week to more or less discuss the
10 initiative conceptually rather than concretely or specifically.
11 We just had a number of discussions on, is there an embargo,
12 is there not an embargo, could an embargo be circumvented,
13 things of that nature, but I just can't recall being specific.

14 I think it was the following week that it became clear
15 that the President was going to have to say something on it.

16 I could probably refresh my memory if I looked at a
17 calendar, but I just can't recall the dates too well.

18 Anyway, internally within the NSC staff we then
19 realized we had to put together a chronology.

20 Q Were you principally the person assigned to put the
21 chronology together?

22 A No. It was North.

23 Q Were there people, were you one of the people assigned
24 to help him do it or to consult?

25 A Not assigned, but inevitably it would cross my desk on

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1 the way to Poindexter.

2 Q Right.

3 A And then I would be in a meeting or something where
4 Poindexter of somebody else would say, well, I'm sure there was
5 such and such a meeting that took place, and then we would go
6 back and try to verify that. So, there were several iterations
7 of this chronology.

8 Q Right.

9 A My role was specifically to try to find out precisely
10 the times and dates and meetings in which the President would
11 have been there and to add that to the chronology because all
12 North came up with was the input from CIA which was primarily
13 logistics.

14 Q So, North essentially produced the first document?

15 A Yes. As the action officer for the Iranian initiative
16 he was responsible for producing the primary source document
17 which is what we called it and ---

18 Q Did it have a title? A lot of these turned out to
19 have various titles.

20 A The chronology?

21 Q The dates and maximum verifications and all that stuff.

22 A It did have a title, but I can't remember the title.
23 It seemed like it was "Chronology of the Arms --- of the Iranian
24 Initiative " or something.

25 Q How many pages was that, do you recall?

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1 A Somewhere between 11 and 15.

2 Q Okay.

3 A It was pretty thick. It got up to 17 by the time we
4 added other times in there and we were trying to get ahold of
5 McFarlane to have him look at it and verify the pre-December
6 '86 time.

7 Q December '85?

8 A Yes, '85, December '85 when he was responsible. We
9 had to go back and look at several different White House records
10 to find out when the senior advisors got together to discuss
11 this. So, it took several days. Of course, this was just one
12 of many things that we were doing during this time and ---

13 Q Who else besides yourself and North was involved in
14 the drafting of the chronologies?

15 A I suspect Howard Teicher was. The way it would work
16 is North would basically come up with a document and walk
17 across the street and go in and present it to the Admiral and
18 I would come in at that point or we would send it in and the
19 Admiral would say, well, I recall meeting with the President
20 in the residence at such and such a time after he got out of
21 the hospital, and we would find that date and North would not
22 have known that part of the problem.

23 None of us knew the actual times and dates of North's
24 trips and meetings, except North and the CIA only knew their
25 part of it. So, it required the effort of a number of people

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1 that put it together. No one knew about the McFarlane conver-
2 sations with the Israelis except perhaps Ledeen. So, we were
3 definitely hindered as far as getting the information together
4 quickly, plus it is the type of thing that you only do in
5 proportionate detail to the extent of external interest. If
6 the interest had gone away at that point, then we would have
7 ceased putting together the chronology. We don't have chrono-
8 logies on every initiative our staff does. If we had to put
9 one together on POW-MIAs, that would take us a month to figure
10 out everything that was done on that.

11 Bureaucratically, it appears to be less than efficient,
12 but yet we were basically making it more sophisticated and more
13 detailed as the need arose. And the first operative event was
14 the President's either speech or press conference. I forget
15 which came first. I believe he spoke first. Then the following
16 press conference.

17 Q Right.

18 A And then the real impetus to get precise dates and
19 times was the testimony and the briefings which Poindexter and
20 Casey were about to do and that is when our interest in total
21 accuracy as far as times and dates was at the highest. That
22 is when we had -- I believe we had the participation of the
23 Attorney General during that third week in November in which
24 he became interested.

25 Q Third week meaning the week starting November 21 or
so?

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1 A Yes -- no, actually the week before that, yes.

2 Q Starting on the 14th then?

3 A Yes.

4 Q The 21st was a Friday, I think.

5 A Yes.

6 Q The 21st is the day Casey was asked to testify and he
7 did testify before the House Intelligence Committee.

8 A Mr. Meese was in my office towards the end of the
9 second week of November and I asked him, on his staff, who was
10 the point of contact that I could talk to because it was
11 becoming clear that we needed to get the concurrence and
12 coordination of Justice on this thing. He indicated that it
13 would be Chuck Cooper at Justice.

14 Q When is the first that you learned that there was a
15 proposed or alleged diversion of funds?

16 A I believe I learned it on the 21st -- I mean the
17 Monday, the 24th of November.

18 Q You did not know about it before then?

19 A No.

20 Q There was a draft of the chronology and that was sent
21 to McFarlane apparently and the chronology was substantially
22 altered in one area as a result of McFarlane's editing. Do
23 you recall that?

24 A No, I don't. North would have done that directly.

25 Q Do you recall that there was a substantial amount of

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1 material added relating to when the President might have known
2 or not known?

3 A Well, there was ---

4 Q In early, I should say the summer of 1985.

5 A Yes, there was considerable discussion on this and
6 I was concerned that the Admiral not misrepresent the point at
7 when the President would have approved that shipment.

8 Q Who was involved in that discussion?

9 A The ones I had are just the Admiral and me.

10 Q Do you recall him being in the discussions with --
11 there are only a limited number of people, as nearly as I can
12 tell, who would have known the answer to that question. Did
13 you ever attend meetings among that group?

14 A No.

15 Q Where they hashed out who may or may not have known?

16 A No. I recall having a number of conversations with
17 the Admiral in which I asked him to try to check with McFarlane
18 to find out.

19 Q Do you know whether he checked with Weinberger or
20 Shultz or anybody else, Regan?

21 A I am not aware that he did, no.

22 Q Do you acknowledge ---

23 A We were primarily looking at it from NSC's point of
24 view and McFarlane would have been the source of information
25 for us.

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1 Q Let me just make sure I understand your response.

2 To the best of your knowledge, Poindexter did not contact any
3 of the people I just mentioned?

4 A I have no idea whether he did or not. I just didn't
5 know.

6 Q Okay. Did you work directly with Colonel North at
7 all in preparation for the chronology?

8 A No. I only worked with Poindexter.

9 Q You only worked with Poindexter?

10 A Yes.

11 Q You have indicated you checked various dates of
12 high level meetings and various other things. Do you recall
13 any other things that you personally checked about the facts
14 that went into the chronology?

15 A I didn't check anything else.

16 Q Okay. I guess it was the speech, although I get
17 confused whether it is the speech or the press conference -- the
18 occasion where the President announced that no third country
19 was involved and shortly thereafter ---

20 A It was the press conference.

21 Q The second event, is that right?

22 A Yes.

23 Q Do you remember the date? I guess it was the 19th.

24 Did you watch the President's press conference?

25 A Yes.

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1 Q Did you watch it with Oliver North?

2 A No. I watched it in my office.

3 Q Did you watch it with anyone?

4 A No. I was all alone.

5 Q Not Poindexter?

6 A No, Poindexter was over with the President in the
7 Blue Room.

8 Q Immediately after the speech, do you know the events
9 that gave rise to the subsequent statement about that there had
10 been a third country involved?

11 A No. Poindexter came back about ten minutes later and
12 told me that he had already corrected the problem, that the
13 President had inaccurately reflected the fact that there was not
14 a third country involved. That was basically immediately
15 amended as soon as the President came back to the Blue Room.
16 I think he realized that or there was a discussion and they
17 wrote out a press statement right then which was immediately
18 given to the press, so by the time Poindexter got back to my
19 office that had already been corrected.

20 Q Now, there comes a time on November 21 when Mr. Casey
21 testifies before the House Intelligence Committee, and maybe
22 the Senate, I don't recall. I think he might have testified
23 before both.

24 A Yes, both, yes.

25 Q Did you have any involvement in preparing him for

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1 that testimony?

2 A I was ---

3 Q Or preparing his testimony?

4 A I was at a meeting in which his testimony was discussed,
5 yes.

6 Q And who attended that meeting?

7 A It was attended by Poindexter, Meese, Cooper, me, and
8 Casey, I guess. It seems to me I was at a meeting the day before
9 in which Gates was there with his special assistant from CIA.

10 Q How much prior to Casey's testimony on the 21st did
11 the meeting you just described take place? Did you say the
12 day before?

13 A That was the day before, that was Thursday that the
14 meeting with the Attorney General took place, Thursday around
15 one o'clock. Either the day before or two days prior to that
16 there was an initial meeting on the testimony with Gates and I
17 believe North was there and a couple of folks from CIA. That
18 was to discuss the testimony Casey -- Casey was out of the
19 country at the time and he came back early, a day early, so he
20 could prepare for the testimony.

21 Q There is a draft of the testimony which appears to
22 be a statement that he probably read to the committee or
23 something. Was that prepared prior to the time that he returned
24 or do you know?

25 A Yes, that is what was prepared by Gates and his crew

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1 and so when Casey arrived on Thursday he was able to show up
2 and discuss the testimony.

3 Q Now, immediately or after the testimony, I take it,
4 is the time when Mr. Shultz indicated that there were substan-
5 tial problems with the testimony. Do you recall that?

6 A Yes. On Thursday the 20th was when we had the meet-
7 ing with the Attorney General. Then later that day we had a
8 meeting in Poindexter's office with Mike Armacost and Abraham
9 Sofaer from State and we went over it -- Poindexter went over
10 the basic policy aspects of the initiative and the strategy
11 behind it and so forth.

12 It was after that. That meeting was about from 5:00
13 to 6:00 or 6:00 to 7:00 on this Thursday evening. But after
14 that apparently Armacost went back with Sofaer and talked to
15 Shultz, because it was later that night, probably around 8:00
16 or so, that it became apparent that State's interpretation or
17 Shultz' version or understanding of the testimony was
18 different than what was going to appear when Casey would present
19 it the next day. That is how the difference arose. Apparently
20 Shultz looked at his notes and said, "I don't agree with the
21 November shipment," or something earlier. I think it was the
22 November shipment.

23 Q My recollection is that Casey's testimony said the
24 CIA had nothing to do with the November shipment.

25 A Right, and I think Shultz contested that fact

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1 because he himself was more aware of it from phone calls he had
2 had with McFarlane. At any rate, later that night around 9:00
3 or 10:00, I had a series of phone calls with Chuck Cooper who --

4 Q We are still talking about the night of the 20th?

5 A This is the Thursday night, the 20th, yes. There
6 were a series of phone calls between Cooper, Sofaer, me and
7 Poindexter, the final result of which by around 11:30 or so it
8 was conveyed to Poindexter that the testimony was not going to
9 be acceptable the way the CIA was depicting that November
10 shipment.

11 Q Was his testimony then amended?

12 A I can't recall because the very next morning at
13 7 o'clock we started briefing the committees down at the White
14 House and we briefed the House Intelligence Committee, I think
15 from 7:30 to 9:00 and then we briefing the Senate leadership,
16 the Intelligence Committee leadership, from 9:30 to 11:00.
17 Casey, in the meantime, went to the Hill and testified. So,
18 I don't know. I didn't find out what his testimony said. It
19 was in just that one aspect, the extent of the CIA knowledge
20 of the November shipment, that was of concern to State.

21 Q What is the reason that Attorney General Meese was
22 present at these meetings, if you know?

23 A Well, I recall there was considerable concern as to
24 the efficacy of this particular operation under the finding as
25 it was written as to whether or not you could use a finding

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1 to basically circumvent existing export control laws, whether
2 you could have a finding that was not reported, questions like
3 that. And the Attorney General had ruled on those, so it was
4 considered highly advisable since he had been the one providing
5 the legal advise to the NSC at that point, the way this finding,
6 as most of them do, came up, it came through the CIA through
7 their general counsel to the NSC Advisor and Meese was brought
8 in at that point and we had found out that he had attended the
9 critical meetings on this issue. I think he attended the meet-
10 ing in early January at the White House.

11 He was then there that Thursday night that I got
12 involved and had been the final legal authority for the
13 President to rely on when he signed the finding. So, we
14 brought in Meese and I had been working with Cooper for several
15 days because we were relying on the Department of Justice
16 determination that this was a valid proceeding.

17 Q Do you know whether or not the Department of Justice
18 had rendered any written opinions on the efficacy, to use your
19 word, of using the covert ---

20 A The specific finding?

21 Q Yes.

22 A No, I never saw their file on it. I know now they
23 based it on an earlier finding.

24 Q On the Smith opinion?

25 A Yes. No, I didn't know.

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1 Q Have you ever seen any written opinions written by
2 the Attorney General, written by the Attorney General's office
3 with respect to this?

4 A No. Those apparently were prepared and not shared
5 with me in that time period.

6 Q Have you seen them since?

7 A No, I have never seen them. In fact, my entire
8 involvement with this matter ceased on November 25.

9 Q Is that right? You have not been involved in any
10 fashion with this since the 25th?

11 A No, not at all.

12 Q Was there a decision that since you had been involved
13 as things were unfolding you should not be involved in it then?

14 A Yes. Apparently Peter Wallison, who was and still is
15 the counsel to the President, had not been involved at all in
16 rendering legal advice on this issue on this finding. He
17 became very concerned during the first couple of weeks in
18 November when clearly questions were arising and it appeared
19 the President may have been extensively involved in the finding
20 and so forth and so Peter wanted to be included in discussions
21 that were going on and as part of this earlier position of
22 no comment to the press and refusal or standard policy of not
23 discussing an intelligence operation with anyone, Peter had not
24 been brought into these discussions either, Peter Wallison.
25 So, when the 25th arrived he then totally took over

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1 control of everything that happened to that point from a
2 legal and investigative point of view. So, the things that I
3 was doing internally as staff counsel investigating a possible
4 improper act of an agency, he took me off, and it became a
5 White House problem. He at that time expressed the desire that
6 I not have any association with it at all under the theory that
7 I myself may be tainted and there would be certainly an
8 impropriety for the appearance of such for me to continue to
9 give advice or be involved in something that I myself might be
10 implicated in.

11 Q Just to be clear, when did you first learn the United
12 States had shipped arms to Iran?

13 A You know, I really don't know when I did.

14 Q Did you know it prior to November 1, 1986?

15 A Yes, I probably did. I probably was aware that at
16 some point during that year, that North was asking Poindexter
17 if it would be okay to authorize a shipment of TOWs. I seem to
18 recall the discussion also at one point of the provision of
19 intelligence information.

20 Q Do you recall this because you attended various
21 meetings? Were you ever consulted on whether or not this was
22 legal or permissible or whatever?

23 A No, I was not consulted. I would have known it
24 probably because of either a discussion in which I was party
25 to, or perhaps a cable or message through this communication

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1 link that North set up. I would have had some knowledge. In
2 all accuracy, I am not positive that I would have known they
3 would have gone to Iran, the country per se, but that merely the
4 authority was transferred for that many TOWs to Point X was
5 requested.

6 Q Let me take you back to -- you have sort of taken me
7 up through the 20th and early into the 21st.

8 A Yes.

9 Q Could you describe your involvement in this through
10 the time you were relieved then on the 21st to 25th? Were you
11 then involved with Attorney General Meese and his investigation
12 into this?

13 A Yes. Once again, Cooper and I were the main links
14 between Justice and the NSC, Meese talked to Poindexter and
15 Cooper talked to me. Cooper called me on Friday, I think it
16 was in the afternoon, to say that he would like to send over a
17 couple of his colleagues to review North's files and I said
18 fine, just let me know when you want to come see them.

19 Poindexter had told me that the call would be coming
20 and we were to cooperate fully and make everything available,
21 to help the Justice Department discovery take place. And Cooper
22 called me again Saturday morning and said, "I want to send over
23 Brad Reynolds and John Richardson within the hour. Can you get
24 them cleared in?"

25 And I said, "Sure."

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1 I met them in the West Wing and took them over and
2 I couldn't find North, but I got hold of one of his coworkers
3 named Bob Earl and Earl came in, opened up the office and started
4 laying out files.

5 Q This was on a Saturday?

6 A Yes, Saturday. They started around noon on that
7 Saturday.

8 Q So, they didn't do any looking on Friday the 21st?

9 A No. The first time they showed up was Saturday
10 morning.

11 Q It was Richardson and ---

12 A And Brad Reynolds. And they started looking and
13 either I was there or Bob Earl was there or there is yet another
14 lawyer on the NSC staff named Jock Scharfen. He was there also
15 or I believe Brenda Reger of the Directorate of Information
16 Policy was in and out of this complex suite of offices, so we
17 had somebody there all the time and if they wanted to make a
18 copy, they had to do it in that person's presence.

19 But they stayed quite late. I know I went home at
20 5:00 or 6:00 and they stayed until quite late that night, 8:00
21 or 9:00.

22 I think North came in eventually and also went over
23 there with them and laid out whatever files they wanted to see
24 on his conference table.

25 Q Do you know what files they were looking for?

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1 A No, I don't. I think they wanted to satisfy them-
2 selves that the information, the chronology and the information
3 in the chronology and testimony was in fact accurate and could
4 be substantiated.

5 Q This sounds to me, though, like a virtually fairly
6 unprecedented move to have two employees of the Department of
7 Justice looking through the actual files of a fairly senior
8 member of the NSC staff which must have included substantial
9 amounts of Code Word material and all sorts of stuff. This was
10 not just a routine investigation by this point I assume.

11 A Yes, well, we have done -- I guess we haven't done
12 anything exactly of that nature, although we have certainly
13 relied on Justice lawyers to come over and assist us in other
14 areas.

15 Q Had you ever had a Justice Department lawyer, if you
16 pardon the use of the expression, rifle through the personal
17 files of a NSC staffer?

18 A No, I am not aware of anything precisely like this.

19 Q Do you know ---

20 A This was arrived at through agreement between the
21 Attorney General and the National Security Advisor.

22 Q Did you know what disclosure or event had occurred
23 that led to this degree of this investigation?

24 A I think it had to do with that characterization and
25 depiction of the November shipment and the fact that there was

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1 a, at the time, we though a September shipment which turned out
2 to be an August shipment of TOWs and questions to the degree of
3 Presidential knowledge. I think people's memories just weren't
4 good enough and Meese wanted to see actual documents if they
5 could be found.

6 Q Did they start the process of reviewing the files
7 before talking with him?

8 A I believe so.

9 Q Were you present when they found the undated memoran-
10 dum that has now caused such a stir?

11 A No.

12 Q Do you know who was present from the NSC when it was
13 discovered?

14 A No, I don't.

15 Q Did they take any original documents with them?

16 A I don't think they took any originals. They took
17 that document you just referred to.

18 Q Do you know whether they took any other documents out
19 of Mr. North's office?

20 A I don't know. This was not viewed from my vantage
21 point as an adversarial meeting at all. This was viewed as
22 an opportunity for the Department of Justice to -- and I had
23 been working with Cooper now for close to two weeks on trying
24 to get to him the relevant information on this issue. I think
25 it was viewed as an opportunity to substantiate their position

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1 that this was a valid finding and a valid operation.

2 Q So that is your notion of the reason that Cooper and
3 the Attorney General were involved, because they had given
4 advice and now ---

5 A Yes, that would be my -- that was my assessment of it.

6 You know, when we have prepared testimony or position
7 papers on other initiatives for example on [REDACTED]

8 [REDACTED] we have had often all-day meetings and we have brought
9 in representatives from other agencies to sit down and pour
10 through all the files and come up with statements and position
11 papers and so forth, and the NSC staff is only 40 professionals
12 and we depend extensively on support from the inter-agency
13 process.

14 Q Did you, after the memorandum was found that appeared
15 to indicate that \$12 million or some \$12 or \$15 million or
16 something was going to be diverted to the Nicaraguan contras,
17 did you discuss that with either Mr. Cooper or Mr. Meese?

18 A Well, no. I didn't know that it had been found.
19 Apparently, they took that information back with them to
20 Justice and then they apparently talked to North about it.

21 Q Do you know what day they talked to North?

22 A I think Saturday night.

23 Q Saturday the 22nd?

24 A Yes, they left the NSC with the paper and on Sunday
25 is when they met with North. I know they did call me and asked

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1 if I could set up an appointment with North. I called North
2 at home and he said he could come after church or something, so
3 he then went and talked to them, I believe that afternoon. And
4 the next time I had any dealings with either North or Poindexter
5 was on Monday the 24th.

6 Q I take it that North's office was not sealed until
7 the 25th.

8 A That is right.

9 Q Was there any discussion about sealing his office?

10 A No, not with me. I think Poindexter didn't tell me
11 he was going to resign until the morning of the 25th and we
12 really weren't aware of the decision to transfer North until
13 it was announced by Meese at the press conference. In fact, we
14 were not aware of who was going to be the Acting National
15 Security Advisor until we saw it on television.

16 Q So, you first learned then on Monday the 24th about
17 this memorandum that dealt with the diversion?

18 A Well, I learned of the fact that there might have
19 been a problem with diversion, but I think it was from
20 Poindexter who said that he had talked to Meese, that there was
21 a complication involving it -- involving a possible diversion
22 or something and if necessary -- or he would rely on the
23 recommendation of the Attorney General as to whether or not he
24 should resign or should be asked to be transferred.

25 Q Did you discuss with him -- with Poindexter whether

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1 he should be transferred?

2 A No.

3 Q Did you discuss with Poindexter whether he was aware
4 of the diversion?

5 A No.

6 Q By that time did you know that he had told Mr. Meese
7 that he had some knowledge of the diversion?

8 A I can't recall specifically our discussion, but the
9 clear message was if he thinks I should go, I am going to go.

10 Q He, meaning the President?

11 A No, the Attorney General.

12 Q The Attorney General?

13 A Yes.

14 Q Okay.

15 A At the time I didn't know that the mention of the
16 thing at all, he just told me there would be a problem. I was
17 deeply involved in trying to still work on the chronology and
18 put together the other necessary briefings that we anticipated.

19 Q Did you know that Colonel North had returned to his
20 office and was returning to his office?

21 A On the 25th?

22 Q On the 24th, I guess.

23 A He was working. I assumed he was in his office on
24 both those days, yes.

25 Q Did you know whether or not he had destroyed documents

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1 A No, I have no idea. I understood on Tuesday there was
2 some concern when we knew he would be leaving the staff, when
3 we learned about it at the press conference around noon that
4 he would be leaving, transferred that day. During the course of
5 that afternoon we then put in place some precautionary steps.
6 Brenda Reger would know more precisely the time.

7 Q But you don't recall any discussion, after you learned
8 about the problem or potential problem of the diversion, about
9 sealing off his office prior to the time that he was actually
10 being asked to leave the staff?

11 A No.

12 Q Okay.

13 A He occupies a suite along with five other people and
14 his -- within that suite are stored various safes and files and
15 so forth, but those sorts of decisions and the knowledge of
16 what was happening during that period Monday and Tuesday was
17 shifting away from us down the hall to either the Chief of
18 Staff or to Wallison or to the Attorney General. We were
19 losing control over people and personnel and things like that.

20 Q Did you ever suggest that his office should be sealed?

21 A I concurred with Brenda Reger's recommendation the
22 afternoon of the 25th that it should be sealed, yes. We then
23 changed the locks and so forth.

24 Q Let me take a look at my notes and I may be done.

25 Mr. Raul. Let me take this opportunity, then, to just

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1 clarify that Commander Thompson has not testified on the basis
2 of any documents being presented to him, either the draft or
3 the final testimony of CIA Director Casey or any of the chronolo-
4 gies and so forth.

5 Mr. Eggleston. All right. I confirm that that is a
6 correct statement.

7 BY MR. EGGLESTON:

8 Q After November 21, did you speak to Oliver North?
9 Between November 21 and the time that he left on the 25th, did
10 you have occasion to speak with him?

11 A I think I recall talking to him on Monday the 24th and
12 he would have come by the office or something to find out how
13 things were going and, or he related to me basically the gist
14 of his conversation with the Attorney General the day before
15 which was that it did not go well.

16 Q Did he tell you anything about the substance of the
17 conversation?

18 A Yes. Well, he said that the entire -- he spend like
19 four hours or something with the Attorney General and with these
20 other three staff over there and that they spent most of the
21 time talking about all aspects of the Iranian initiative and so
22 forth and then at the very end Meese pulled out that April
23 memo that you referred to earlier and said, "what about this?"
24 And North said, "Oh geez, I didn't realize you had that," or
25 "I don't know where that came from," or something like that.

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1 And then he apparently went on to tell the Attorney
2 General, to explain what it was or something.

3 Q Are you relating to me something that North told you
4 on the 25th?

5 A Yes. I mean when he came by, it seems like we had a
6 discussion that he had spent much of Sunday talking about this.

7 Q Did he tell you that he had told the Attorney General
8 about the diversion of money?

9 A Well, it is unclear to me whether he talked about
10 the diversion of money or just a very great complication had
11 arisen at the very end of their meeting. He was more interested
12 in telling me about the tactics of the Attorney General than
13 he was about the substance of the discussion which was to wait
14 until the very end and suddenly pull out a smoking gun or a,
15 you know, a memo which talked about, as it turns out, talks
16 about the diversion.

17 Q I take it though that he did not indicate to you that
18 the memorandum that had talked about the diversion was not
19 truthful or never took place or anything like that?

20 A No. He didn't give any indication either way. He
21 certainly didn't talk at all in terms of the fact that it might
22 or might not have been illegal at that point, just the fact that
23 there was a whole separate aspect that up to then had been the
24 Iranian initiative.

25 Q Did he know at that time that he would probably be
asked to leave?

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1 A It's hard to characterize North's reaction. He often
2 used words like, you know, I am going to be fired. He had been
3 using that for years, that phraseology, so it is hard for me
4 to ---

5 Q It's frequently true.

6 A He is kind of a volatile person. I don't know if you
7 have had any dealings with him up close, but you know he often
8 used words like "they can fire me tomorrow" type of thing. He
9 seemed to be in a jubilant mood, just that he described the
10 fact that he had a prosecutorial discussion with the Attorney
11 General, that's all. He was letting me know.

12 Q Did he have any impression that he would be prosecuted

13 A Did he what?

14 Q You said he had a prosecutorial discussion.

15 A It is a generic sense, that the Attorney General had
16 come across like a prosecutor in presenting this to him with
17 the way he had elicited this information.

18 Mr. Eggleston. I have nothing further. Let me do some-
19 thing else at the end. Go ahead.

20 EXAMINATION BY COUNSEL FOR THE SELECT COMMITTEE

21 BY MR. VAN CLEVE:

22 Q Let me just begin by repeating very briefly what Mr.
23 Eggleston said to you at the beginning of the deposition. If
24 I ask a questions and what I am asking is not clear, please stop
25 me. If you need to confer with your counsel, please stop me

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1 and go ahead and do that. Let me also just finally add that I
2 may skip around quite a bit because Mr. Eggleston has covered
3 most of the ground that I would expect to want to cover in the
4 deposition.

5 If I go back over something that you have already
6 been asked about it is usually because my memory is poor and
7 I am a poor note-taker. I just want to be sure I understand.

8 A All right.

9 Q Speaking about the PROF system, at the National
10 Security Council I gather that system is one that can be accessed
11 from any computer terminal?

12 A Certainly.

13 Q To access it you simply have to have the proper code?

14 A Yes.

15 Q So, Mr. McFarlane was able to use the system from his
16 home, as I understand it.

17 A Sure. It is a secure system which means that it
18 can receive and send classified information, so he would have
19 had a scrambler in his home.

20 Q Okay. But other than maintaining the security, it is
21 sort of a normal computer system and you access it through a
22 password and so on?

23 A Yes, and pull your particular in-basket off the main-
24 frame and keep it there until you are done with it and then
25 transfer it back down and transfer it back and close down the

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1 system.

2 Q If a use with a valid password comes on to the
3 system and would like to review messages in another account, is
4 that possible? If so, under what circumstances?

5 A Only if the individual use has given his personal
6 password to the other person.

7 Q I see. To be a little more specific about it, we
8 understand that on certain occasions there were sub-accounts
9 created so that communications between two users could be
10 referred back and forth using a common heading over an extended
11 period of time.

12 A Oh, a subject line, yes.

13 Q Excuse me?

14 A A common subject line.

15 Q Such as Private Blank Check, for example?

16 A Yes.

17 Q If the user of the PROF system wanted to review the
18 materials in an account such as Private Blank Check, would that
19 be possible?

20 A What was the first part of the question, if anyone
21 wanted to?

22 Mr. Van Cleve. Would you read the question?

23 (The pending question was read by the reporter.)

24 The Witness. No.

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1 BY MR. VAN CLEVE:

2 Q It would not generally be possible?

3 A The only two people that could access would be the
4 sender or the receiver in any case.

5 Q I see, you would have to have the same password, if I
6 understand you correctly?

7 A Yes.

8 Q So, it wouldn't be possible to put in the name of
9 the account, a valid password, and read the messages?

10 A Not at all. This is a very unique user-oriented
11 system, especially electronic mail. That is all we are talking
12 about. The only way you could access your in-basket is to have
13 your password which then gives you access to all messages you
14 have either sent, received or that have been copied to you.

15 Q If I understand you correctly, you did not have
16 access to Admiral Poindexter's password at any time, is that
17 correct?

18 A That is right, I never did.

19 Q Or to Mr. McFarlane's password at any time?

20 A No.

21 Q Let me start this with one general question that may
22 eliminate a lot of the specific questions. Admiral Poindexter
23 attended a number of small meetings during late 1985 and 1986
24 such as meetings with the President, for example, and one or
25 more Cabinet officers. You generally did not attend those, is

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1 that correct?

2 A Correct.

3 Q Did Admiral Poindexter have a habit of telling you
4 about the meetings that he attended after he attended them so
5 you would know as a routine matter what had gone on and be able
6 to respond to questions or inquiries or follow up?

7 A Not usually as a routine matter. If there were an
8 item that needed to be attended to he would tell me, and I
9 would take it out to the staff to have it done. That could
10 often include the press. If some problem arose that needed
11 further search, he would tell me about it, but other than that
12 he would not necessarily share it with me.

13 Q If I understood your earlier testimony, it was to the
14 general effect that you were not aware of the Iran Initiative
15 until after it was publicly disclosed.

16 A Well, I was aware of the finding as of January 20,
17 so I was aware that there was a plan to have the CIA conduct
18 other than intelligence-gathering efforts involving Iran.

19 Q Including the shipment of arms?

20 A That was part of the finding.

21 Q Okay.

22 A That was included in there as one of the terms, to
23 my knowledge. So that I was aware of the initiative as of the
24 time the finding was signed. I showed it to the five people
25 from CIA and they led me to believe they were going to go forth

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1 and execute it as they do with all findings. I was then on
2 certain times aware of shipments or other discussions involving
3 either meetings or logistics questions related to the finding
4 during the course of the year.

5 Q Would it be fair to say that you were generally aware
6 of what was going on, that you knew that arms were being shipped,
7 you knew there were efforts being made to free the hostages and
8 you knew the transactions were connected?

9 A Yes. I would have to refer to the chronology to
10 really point out the isolated instances in which I did know.
11 My involvement was that of the assistant to the National Security
12 Advisor, so quite often I was the link up for messages being
13 passed or telephone conversations and things like that and
14 perhaps I was only actively aware or involved in every third
15 one or something, so it is very hard to identify which I was
16 aware of and which I was not.

17 Q Would that have been equally true with respect to the
18 November 1985 arms shipment itself?

19 A Yes. As it turned out, on the night of November
20 either 18 or 19, I once again stayed up all night trying to
21 call the Prime Minister [REDACTED] or some high official in
22 [REDACTED] to try to get a plane to land there or transit there.
23 Although I did not know at the time any of the details, my
24 only concern was trying to get the individual on the phone so
25 that McFarlane could talk to him. I believe we were in Rome

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1 at the time and we were trying [REDACTED] and it was quite
2 difficult to do.

3 Q I can imagine. But you were not directly involved
4 in discussing ---

5 A I had no idea ---

6 Q -- the transit arrangements?

7 A No, not at all. In fact, I was at the embassy,
8 McFarlane was at the residence which is about a half hour away
9 and the link-up went from the residence to [REDACTED] so I never
10 was aware that they completed the call until I learned about it
11 the next day. So, I had no idea of the content. I only pieced
12 this together when I found out that in November of '86, when I
13 was working on the chronology at that time, that that was the
14 purpose of the calls.

15 Q So, you didn't have any dealings with Colonel North
16 in terms of logistics for that shipment?

17 A Not for the shipment, but for the phone calls I had
18 North call me from the States and said we need to have McFarlane
19 talk to the Prime Minister [REDACTED]

20 Q Did he say why?

21 A No.

22 Q Did he assume that Mr. McFarlane would know why?

23 A Yes, I assume he assumed that.

24 Q Maybe I ought to rephrase the question. I am a
25 little confused that you would get asked to help arrange a



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1 phone call between essentially a foreign head of state and
2 Mr. McFarlane would not know what the subject matter of the
3 phone call was or whether you knew what to tell Mr. McFarlane
4 about the subject matter of the phone call.

5 A It's not that unusual for anyone of the 40 staff
6 officers to call me at any time day or night and say, you know,
7 McFarlane's got to call Senator so and so, or you have to call
8 Prime Minister so and so and you got to call them within the
9 next five hours or the initiative is not going to work. That
10 is not unusual.

11 ^{We}~~Q~~ have a lot going on all the time and you know,
12 North may or may not have even talked to me in person. He may
13 have sent a note or left a message for me, you know, that it's
14 imperative that McFarlane talk to the Prime Minister 
15  before you guys leave Rome. Period.

16 Q But without saying about what?

17 A Yes.

18 Q How would Mr. McFarlane be expected to find out what
19 he should talk to the Prime Minister about?

20 A Well, there may have been a PROF or some other
21 message directly to McFarlane from North or some other way.
22 You know, it's, you know, from my vantage point as a special
23 assistant it is very normal to get a note saying the call has
24 to be placed by 6:00 tonight.

25 Q Okay. Did you happen to see the story in the March 6

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1 Washington Post concerning the possibility that Mr. McFarlane's
2 home was subject to electronic surveillance?

3 A I heard about it, yes.

4 Q Do you have any information at all about the contents
5 of that story?

6 A No, nothing.

7 Q Are you aware of whether or not that kind of
8 electronic surveillance of people such as Mr. McFarlane does
9 in fact occur?

10 A No, I am not really aware. I know the conversations
11 of a lot of principals are listened in to by their staff or by
12 operators, partly to document what is said, partly to make sure
13 that there are no technical problems.

14 Q You say "by operators," could you be a little more
15 specific?

16 A Well, either by their various patch operators,
17 telephone operators.

18 Q Where would those be located?

19 A Well, they would be located, if these are classified,
20 if they are secure telephones, I guess they are located at the
21 headquarters of the agency that has the linkup, State, CIA,
22 [REDACTED] White House Situation Room. We have one there. [REDACTED]

23 [REDACTED]
24 [REDACTED]
25 Q Okay. Shultz apparently takes notes when he makes

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1 calls. So, you think it actually may be fairly common that
2 a contemporaneous record of these kinds of telephone conversa-
3 tions are being made.

4 A I don't know. I think that matter was looked into
5 by our experts in the area and they provided press guidance on
6 it.

7 Q I'm sorry, I'm not following you.

8 A [REDACTED] the alleged [REDACTED] tapping of McFarlane's
9 phone. I believe that was looked into by our communications
10 experts down at the White House.

11 Q I see.

12 A They have some -- they provided guidance on that. I
13 am not positive.

14 Mr. Raul. If I could interject, I am not sure Commander
15 Thompson testified that a contemporaneous record of these
16 conversations was kept. He said that I believe that there were,
17 may have been note takers or people listening in.

18 The Witness. I am not at all aware of the McFarlane case.
19 I didn't intend to convey that.

20 Mr. Van Cleve. I didn't think you were conveying that.
21 But I am glad to have the record clear.

22 BY MR. VAN CLEVE:

23 Q You don't know about McFarlane, is that right?

24 A No.

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Q Okay. When Admiral Poindexter made telephone calls, was it a practice to listen into those conversations?

A No, not at all.

Mr. Van Cleve. Do you have anything on that?

Mr. Eggleston. I have just one. It was still left slightly murky with me.

EXAMINATION BY MR. EGGLESTON:

Q Are secure telephone conversations involving the National Security Advisor, are they recorded or are they not recorded?

A I don't know the answer.

Q To your knowledge they are not?

A To my knowledge they are not.

Q If there is an occasion when notes are taken, are those taken with the knowledge of the National Security Advisor or whoever's call is being listened in to?

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1 A I would certainly hope so, but I don't know the answer
2 to that either.

3 Q Furthermore, you wouldn't know where the notes would
4 be kept if they are taken?

5 A No.

6 Q It was not a policy of routinely recording these
7 conversations and saving them for Congressional committees,
8 should there be an investigation?

9 A No, it would have been helpful.

10 Q Helpful or not, I don't know.

11 FURTHER EXAMINATION BY MR. VAN CLEVE

12 Q I have a couple more questions on an additional
13 subject. I appreciate your willingness to be here with us.

14 My recollection, and I am telling you what my
15 notes reflect, not necessarily what you said, so correct me if
16 I have this wrong. But you testified that on November 21 you
17 got a call from Charles Cooper.

18 A Yes.

19 Q At the Department of Justice telling you he wanted to
20 review -- he wanted to send some people to review Colonel
21 North's files. Is that correct?

22 A That is correct.

23 Q Did you ask him why?

24 A I think he told me, I think it was a follow-on to our
25 late night series of conversations the night before that they

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1 were not -- they being the Justice Department lawyers -- were
2 not satisfied that we had fully documented the first part of
3 the chronology, the pre-finding time. That is always the most
4 vulnerable period to account for, highlighted by the November
5 shipment and the August shipment.

6 We did not have, at least from my perspective, we did
7 not have ready access to McFarlane who had already left govern-
8 ment service and we did not have any other ways of documenting.
9 According to North's account, he was not in this particular
10 initiative until ~~midway of 1975~~, actually, just before that
11 November shipment. So, it was generally considered by Cooper
12 that especially in light of his conversations with Sofaer and
13 Shultz and Meese from the night before that they needed to do
14 more digging on that aspect of the chronology to account for
15 it. It was quite clear that we needed additional personnel,
16 too, so that is why I think they offered to send over their
17 team.

18 Q So that I have the time sequence correctly in mind,
19 I believe this call probably occurred after Admiral Poindexter
20 had already briefed the House Intelligence Committee?

21 A Sure.

22 Q And after Director Casey had already testified in
23 front of the Congressional committees, do I have the timing
24 correct?

25 A Certainly after Poindexter. Poindexter started

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1 briefing at 7:30 in the morning.

2 Q Okay. Did you at that point or at any point after
3 that call Colonel North and tell him that his files were about
4 to be searched? If so, when?

5 A I don't think I called North. I think I called Earl.
6 And it would have been Friday night. It was simply to find
7 out if they were going to be in on Saturday. Each office now,
8 each suite of offices has cipher locks and combinations to get
9 in and I seem to recall getting, I think I called Craig Coy who
10 is another occupant of that suite and I believe I told Coy, and
11 perhaps Earl also, but I know I called one of those two and told
12 them that they may have to come in on Saturday because the
13 Justice lawyers want to discuss and actually look at documents
14 further in support of the testimony or the chronology.

15 Q And that call probably occurred when?

16 A Friday afternoon, Friday evening.

17 Q I see.

18 A Sometime shortly after Cooper called me. I just
19 wanted to make sure. I didn't have access to the suite. I
20 just wanted to be sure someone was there to open it.

21 Q If you know, where was Colonel North when you placed
22 the call?

23 A I don't know. He is normally there. He was probably
24 in the office on the other line.

25 Q But you didn't ask to speak to him?

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1 A I didn't ask to speak to him. I just wanted to be
2 sure somebody was going to be there.

3 Q So the record is clear, the actual review of his
4 files by the Department of Justice attorneys did not begin
5 until the next morning, is that correct?

6 A That is correct.

7 Q And so he would have had, Colonel North, that is,
8 would have had unfettered access to his files during the period
9 between the time when you called the office to let them know
10 that the search would be conducted, and that next morning, is
11 that correct?

12 A Yes. I don't think I used the word "search".

13 Q How did you describe what the Department of Justice
14 was going to do when they would send a couple of attorneys over?

15 A They wanted to come over and, I can't recall the word
16 that we used, but they wanted to either verify or document the
17 period of time prior to the finding. I could find the word for
18 you. I would be glad to find if that was used. I think Meese
19 used it himself in his press conference on Tuesday.

20 Q Is it a coincidence that it was the same word the
21 Attorney General used to describe it?

22 A Was it a coincidence?

23 Q Yes.

24 A With what?

25 Q You said you could find the word that the Department

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1 used to describe it.

2 A We used the same word. That was the word used to me
3 that I used, that they wanted to come over and, you know, meet
4 or talk with North or someone in his office who had access to
5 his files so they could verify the chronology.

6 Q Did they intend to review the contents of Colonel
7 North's safe?

8 A I don't know.

9 Q They didn't indicate to you that they did?

10 A They wanted access, so I assume they wanted to look
11 in his safe. Virtually all files are kept in safes at the
12 NSC.

13 Q Could someone else have given them access to Colonel
14 North's safe?

15 A Yes, his secretary or I think both Earl, Bob Earl for
16 sure had access to his safe. I am not sure about Craig Coy.

17 Q I see.

18 A But each one of these people are cleared and inter-
19 changeable as far as working in that suite?

20 Q If I understood you correctly, you testified previously
21 that on November 24 you had a conversation with Colonel North.

22 A Yes.

23 Q Is that correct?

24 A Yes, I believe he came by my office.

25 Q And if I understood you correctly and I don't mean

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1 to -- I'm just trying to describe your testimony here -- you
2 said that when he talked to you about the interview that he had
3 had with the Attorney General the prior day that he was more
4 interested in telling you about the Attorney General's tactics
5 than he was in telling you about the substance of the interview.

6 A Yes.

7 Q Is that basically correct?

8 A Yes.

9 Q Can you try and describe for us in words as close to
10 his as you can remember them what he said to you about the
11 Attorney General's tactics?

12 A Oh, just that it was a typical lawyer's conversation
13 in which the Attorney General had spent hours, three to four
14 hours, going over in microscopic detail all aspects of the
15 chronology in the Iranian initiative, at the end of which he
16 said, "Is that all? Is that it? Is that all you have to tell
17 me?"

18 And North said yes and then the Attorney General
19 whipped out this memo that he found and said, "Well, what about
20 this?" with a certain amount of drama associated with it. You
21 know, this was North's way of telling me about how he would
22 rather not spend Sunday with lawyers and he was -- his reason
23 for telling me this was more, with such drama, was more for just
24 his, perhaps, his way of downplaying the fact that there was a
25 whole other facet to this case which turned out to be not one

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1 which one would want to joke about necessarily.

2 Q Do you remember anything else at all about that
3 conversation?

4 A No. I know that the other three guys were there
5 because North told me they were there and then I think North
6 said, what else do you want, and the Attorney General said,
7 what do you want to tell me about this or something, and that
8 is about it. I am trying to recall whether North said something
9 like, oh, you found that, or something, but I really can't
10 recall what else.

11 Q To help your memory, did he say something, and then
12 he sprang this thing on me, or then I got trapped because he
13 put this document out -- anything like that, like say this was
14 not fair game, first I had to sit for three hours and listen to
15 this, then they brought this memo out? Anything like that?
16 Sort of like, you lawyers are all like this?

17 A No. I think it is just the way I described it, just
18 that he whipped out this memo at the end or something like that.

19 Q Okay.

20 A You know, the whole point of the thing was, we spent
21 the whole time talking about Iran and suddenly he asked about
22 this memo which somewhere toward the end had this something
23 about diversion in it to Nicaragua.

24 Q Let me just quickly look over my notes now and see if
25 I am finished.

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1 I think you may have been asked this question, but
2 for the sake of completeness and so we don't have to take up
3 your time at a later date, did you normally attend the Presi-
4 dent's daily briefing?

5 A No.

6 Mr. Eggleston. I had forgotten to ask that question.

7 Mr. Van Cleve. Thank you very much.

8 Mr. Raul. Let me just say, if I could add, express
9 my thanks to the House Select Committee and to Mr. Eggleston
10 and Mr. Van Cleve for all of your courtesies and to note for
11 the record that Commander Thompson appeared here today volun-
12 tarily, pursuant to the request of the committee. Thank you.

13 Mr. Eggleston. Thank you.

14 Mr. Van Cleve. We appreciate that.

15 Mr. Eggleston. Thank you for being with us today,
16 Commander Thompson.

17 (Whereupon at 7:00 p.m., the deposition was adjourned.)
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CODEWORD

Stenographic Transcript of

HEARINGS

HSITS 0076 /87

Before the

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

TESTIMONY OF PAUL THOMPSON

Tuesday, April 28, 1987

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TESTIMONY OF PAUL THOMPSON

Tuesday, April 28, 1987

United States Senate
Select Committee on Secret
Military Assistance to Iran
and the Nicaraguan
Opposition
Washington, D. C.

Deposition of PAUL THOMPSON, a witness herein,
called for examination by counsel on behalf of the House
Select Committee on Covert Arms Sales to Iran, having been
duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for
the District of Columbia, pursuant to notice, at 10:44 a.m.,
in Room SH-901, Hart Senate Office Building, Washington, D.
C., and the proceedings taken down by Stenomask by MICHAL ANN
SCHAFER, and transcribed under her direction.

BSK 100-800000-1000 18 Apr 1987
12356

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APPEARANCES:

On behalf of the Senate Select Committee on Secret
Military Assistance to Iran and the Nicaraguan Opposition:

PHILIP BOBBITT, Investigator

On behalf of the House Select Committee on Covert Arms
Sales to Iran:

NEIL EGGLESTON, ESQ.

Deputy Chief Counsel

ALSO PRESENT:

DEAN MC GRATH, ESQ.

Associate Counsel to the President
The White House

PAUL COLBY, ESQ.

White House Counsel's Office

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C O N T E N T S

EXAMINATION ON BEHALF OF

WITNESS

HOUSE

Paul Thompson

By Mr. Eggleston

4

E X H I B I T S

PT EXHIBIT NUMBER

FOR IDENTIFICATION

1	7
2	12
3	13
4	16
5	16
6	16
7	16
8	16
9	63
10	76

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P R O C E E D I N G S

(Witness sworn.)

MR. EGGLESTON: Let me just for the record state that my name is Neil Eggleston. I am Deputy Chief Counsel of the House Select Committee on Iran; Mr. Phillip Bobbitt is here on behalf of the Senate and is Staff Counsel at the Senate. This investigation is being conducted pursuant to House Resolution and the Senate Resolution, both authorizing the two Select Committees to conduct an investigation into activities both surrounding the Iran initiative and the Contra activities.

I think we have both probably previously provided you with copies of the resolution and the rules. I take it the White House has received those. In any event, it is pursuant to those documents that this deposition is being conducted.

MR. McGRATH: Let my say my name is Dean McGrath. I am Associate Counsel to the President. Mr. Thompson agreed to be here voluntarily today as he did on March 9th when he was previously deposed by this Committee in connection with its current investigation.

Whereupon,

PAUL THOMPSON,

was called as a witness by counsel for the House Select Committee and, having been duly sworn by the Notary Public,

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was examined and testified as follows:

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. EGGLESTON:

Q Mr. Thompson, as your Counsel, Mr. McGrath, has mentioned, you, of course, were here previously and on that occasion you were asked a number of questions both about your own background, your involvement with the NSC and up through pretty much through the events of November 25, 1986, and I think at that time you indicated your involvement substantially ended as of that time. You were asked to no longer participate because --well, for whatever reason you were asked to no longer participate.

What I'd like to do today is just ask you some specific questions about various events, meetings, things that took place. The result is going to be I'm going to jump around a little bit. Obviously if any time you don't understand a question or you don't understand a time frame or a reference, either you or Counsel can just ask me to specify it because although I'm going to go generally chronologically, I'm not going to go day by day; it's going to be much more jumping around.

The first area that I wanted to ask you about was to ask you some more detailed questions about the investigation that arose following the letter which was sent to the NSC by Mr. Barnes. I believe there was also a letter

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from Mr. Hamilton, both Members of the House of Representatives. I'm going to just generally characterize; I'm not going to ask you to adopt what your testimony last time you were here.

Generally you testified that a records search was conducted, that after the records search was conducted various documents were produced, that the documents were provided Mr. McFarlane. He reviewed them and thereafter I believe there was some meeting with Mr. Barnes which took place;

What I want to ask you about is some specific questions about the document search and production process. And let me start. I think it would be helpful -- have you had a chance or have you reviewed any of the documents that are relevant to this aspect of your time at the NSC prior to testifying here today?

A Yes, I've had the occasion, in fact, yesterday in the company of Independent Counsel to look at five or six documents which pertain to this time -period.

MR. McGRATH: To make it clear, that was not in preparation for this testimony; that was as a witness in connection with the Independent Counsel investigation.

BY MR. EGGLESTON: (Resuming)

Q Were you a witness in the Grand Jury?

A No.

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Q This was an interview?

A It was an interview.

Q Could I have this marked PT Number 1?

(The document referred to was
marked PT Exhibit Number 1
for identification.)

Let me just show you what's been marked PT or Paul Thompson Exhibit 1. If you could just review this, this might bring you up to speed on some of the initial actions that were taken following the submission of the letters from Mr. Barnes and Mr. Hamilton.

(Pause.)

A Okay.

Q Does that document help you remember the events surrounding the search for documents after the Barnes and Hamilton letters?

A Well, it still doesn't bring back the actual events, but I can follow the sequence from looking at the memos.

Q Can you, based on your recollection as refreshed if possible by these documents, explain to me once the letter came in the steps that were taken in order to search the system for various documents which might be responsive to responding to the inquiries?

A Well, there appears to be missing from this

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package the initial profile sheet should have been attached to this letter when it first came in. In fact, yesterday by the Independent Counsel I was shown the profile sheet on the 16th of August. The letter was dated -- it arrived on the 19th of August at the NSC and was put into a normal staffing procedure in which it was assigned to one staff officer for action, several additional ones for concurrence and several ones for information.

There was then on that same profile a sheet, I believe, a reassignment of the action to Brenda Rieger since this appeared to be another request for information from Congress. In fact, initially it was treated by the clerks as a Freedom of Information request, but Brenda would obviously realize it would not be a FOIA request coming from Congress, but rather it would be a Congressional request for information.

At any rate, Brenda, as the action officer, then a day later on the 20th of August wrote a memo to John Poindexter, who at the time was Deputy National Security Advisor; Bud was also the senior member of the NSC staff in Washington. This was during the August recess period, which at the time McFarlane was on duty as National Security Advisor, was in California with the President.

So she sent a decision memo forward to Poindexter asking him his guidance on the scope of the response, and

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provided what appears to be quite a bit of background information, perhaps asked by the Admiral, as to whether or not we have done a broad response and whether or not we've actually made people available to testify.

At any rate she made two recommendations to Poindexter. It looks like he approved both of them. The main recommendation would be to search the Secretariat Intelligence Crisis Management Center files, including Presidential NSC files to try to find anything dealing with the codewords which she would put into the computer and, based upon the Admiral's recommendation, three days later her assistant Donna Sirko, then did that search and sent it up through Bob Pearson to me, which would be a logical sequence.

The Freedom of Information Office, the Information Policy Office reports to through Legal Office informing us that they've done a thorough search by computer of our various systems using the words North and Nicaragua and about a dozen individual keywords -- she doesn't say what those are -- and attaching, apparently, the profile sheets from those searches.

So tabs 3 and 4, if they were attached to this, would show the hits which were received from the search that was done at the same time. Oh, there's a PROFs note here from Pearson which reassigns the action to Rieger. And there's also a cover sheet showing that this item was sent by

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data communications to Santa Barbara where McFarlane was to inform him of the request by Barnes or the letter by Barnes.

And that's pretty much the documentary history based upon this package. There are a few things missing.

Q From this package?

A Yes.

Q I wanted to ask you some questions about that package, but if you want to look at it, Mr. McGrath, let me just ask you as to the memorandum written by Donna Sirko -- S-i-r-k-o -- to you dated August 23, 1985, which has a number put on it not by the White House, N29812, it's a document control number put on it by the Committees.

Let me direct your attention to the paragraph which deals with System IV documents. Do you recall whether at the time that you received this with the various tabs whether as of this time you received only the profiles for System IV documents and not the documents themselves?

A I can't recall that.

Q Does anything about this document indicate to you whether you would have received just the documents -- or excuse me, just the profiles or the documents as well?

A Well, this cover memo indicates I would have just received the profiles. I should point out, of course, that this request came in the context of a number of other Congressional requests and it could very well be that we were

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already in possession of the underlying documents.

If you compare the profile tab to the actual documents which were in either files, you'd probably find we already had most of those documents, if not all.

Q By "we", you mean the Legal Office had already pulled them?

A Well, they had been the fruit of earlier searches at the request of other members of Congress. I can't recall the dates of these other requests, but they were around the same time frame.

Q Let me ask about a particular sentence in this, and I will read it just so the record is clear. And this is from the paragraph dealing with System IV documents, it says: "Of the 22 items" -- which were first of the items searched under System IV -- "of the 22 items, possibly four to be pulled (per Jim Radzinski's manual search). I have attached all profiles. (He's not indicated which items would be considered) for your review."

Do you have any recollection what the line of the 22 items, possibly 4 to be pulled refers to?

A No, I don't. Radzinski would probably be able to tell you. I can't tell. I certainly can't recall, unless four of these are Presidential instead of institutional files. I can't follow it from what she's written here.

Q So you don't have any recollection of what

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"pulled" referred to, whether it meant pulled out of the stack, pulled for review, pulled not to be reviewed? As written, it's slightly ambiguous just exactly which way pulled refers.

A Yeah. Well, when she says a manual search, which is in parentheses right after the word "pulled", perhaps she's distinguishing the need to physically retrieve those documents as opposed to by computer. I just can't tell.

Q Let me have this marked PT 2, with today's date.

(The document referred to was
marked PT Exhibit Number 2
for identification.)

The documents as we've received them and the documents I've shown you are all documents we have received from the NSC or the White House or whatever. The document says we've received them. This packet does not have the profiles actually attached to this letter. I would like to show you what's been marked PT Exhibit 2 and ask you whether you recognize these sheets as sheets that were received by you in connection with this document examination.

These are, as I understand it at least, profile sheets for various documents that are maintained in the NSC System, System IV.

A Each one of these is a separate profile sheet?

Q It appears to me that each one has a different

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number on it and each one is a different profile sheet.

A What was the question? Do I recognize them?

Q Do you recognize them as having been received by you in or about August of 1985 in connection with this document search?

A No. I don't recognize them. I don't doubt that they may have been. They certainly appear to all be on track as far as the subject matter goes.

Q So the best you can say is that although you don't recall them it would seem to you that based on the codewords put in you would infer that these profile sheets are among the ones that would have likely been produced to you. Is that a fair statement?

A Certainly.

Q Could you mark this PT 3?

(The document referred to was
marked PT Exhibit Number 3
for identification.)

Q Let me show you what's now been marked PT 3. So the record is clear, let me describe the document slightly because I'm only addressing your attention to the top half of the document, not to the bottom half.

The document is an 8-1/2 x 11 sheet of paper; half way down the sheet there is a date, November 21, 1986. And below that there is some handwriting. I'm not directing your

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attention to anything starting with November 21, 1986 and below. I'm just addressing your attention to the numbers and things prior to that.

A Okay.

Q And assuming now that the document that I'm talking about is just the top half of the page, have you seen that before?

A I don't know. This may have been a working document that came out of the files.

Q Okay. You don't have any particular recollection of having seen this before?

A No. I can't look at it and immediately recognize it. This appears to be a typical working sheet. I recognize the handwriting.

Q I was going to ask you that.

A At least I think I recognize the handwriting as being that of McFarlane, with these numbers.

Q Do you associate this in any fashion with the search that was done in the summer of 1985?

A No. There's no real apparent association. I'm not familiar enough with the assignment of System numbers to know whether that pertains to that chronological time frame or not.

Q Okay, let me just tell you that the numbers that are on this sheet match the profiles, the numbers on the

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profiles sheets that I just showed to you. If you want to see the profile sheet and check that, you're welcome to. At least I think I'm basically right. And I think the others similarly -- I'm not sure they all do, but I think that they generally match up between these profile sheets.

A Okay.

Q You don't recall, though, seeing this document in the summer of 1985?

A I don't recall it, no. I would say I probably did see it. I mean, it was probably part of the working file which was kept by McFarlane during that time.

Q Let me direct your attention to the bottom half of the page now. Let me make it this way -- the entire document, including the bottom half of the page. Addressing the document in that fashion, have you seen this document that's PT Exhibit 3 before?

A No. In fact, this looks almost like two different documents. In other words, this top part appears to be a smaller memo which was Xeroxed and appears to be on a 3 by 5 White House stationery. And the bottom one, the bottom half of it appears to be coming from another document.

Q But you've not seen the lower document before, either?

A I can't recall having seen it.

MR. MCGRATH: If I could note for the record that

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the profile sheets marked with, I believe, the Committee number is 29775 through 29779 do in fact correspond to the numbers on the upper half of this sheet; the last profile sheet, 29780, does not appear to correspond to the numbers listed on the upper half of PT Exhibit 3.

BY MR. EGGLESTON: (Resuming)

Q Thank you. Let me show you now -- could I have these marked PT 4, 5, 6, 7 and 8?

(The documents referred to were marked PT Exhibit Numbers 4 through 8 for identification.)

Let me just read into the record so it's clear and you can watch along if you want. The document PT Exhibit 4 is a document which contains the NSC control number 402007. I'll put that you in front of you and go through all of them.

Document Exhibit 5 has got NSC control number 402003. PT Exhibit 6 has got the NSC document control 400215. Seven has document control number 400246. And 8 has got the document control number 401214. Could you take a minute and look through these?

A For form or content?

Q For content. And the question I'm going to ask you at the end is whether you have seen these documents before. Then the next question I'm going to ask you so that

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you can have it in your head while you're looking at it is whether or not you saw them in the summer of 1985 in response to the document search that was done.

MR. McGRATH: Let the record show that these are in fact the documents with the same NSC numbers as those identified on the profile sheets and the upper half of PT Exhibit 3.

MR. EGGLESTON: That's correct.

(Pause.)

A All right. I've had a general look at them. These are, by the way, the same documents that I saw yesterday that were shown to me by the Independent Counsel.

Q I had a feeling you were going to say that.

A So I'm somewhat familiar with them.

Q Having looked at them, and I assume they asked you this same questions that I'm going to ask you about them -- or at least those two questions -- which were -- and I think just so the record doesn't get confused maybe I should do it exhibit by exhibit, speaking about asking just exhibit by exhibit, each one of them so the record doesn't get confused.

Let me just take you one by one starting with Exhibit 4. First, prior to yesterday, do you recall having seen that document before?

A Well, my answer would be the same as on these earlier documents. I can't recognize the document when I

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look at it; I would, however, strongly assume that this was part of the documents which were the fruit of the searches during the summer of 1985 pertaining to Congressional inquiries. I don't know at all that I saw this with regard to the Barnes' inquiry. Certainly based on the subject matter and the date, I would say it was part of the general files that were produced during the summer of 1985.

Q Let me just ask you, I want to make sure sort of the level of your recollection. Do you recall seeing that in the summer of '85, or do you just assume since it's a document that would have appeared?

A I assume. I don't recall seeing it in the summer of '85.

Q If I were to ask you that as to the rest of the documents, the Exhibits, I guess, 5-8, would you answer in a similar fashion?

A With one exception. I do and I told this yesterday to the Independent Counsel, I do recall one document which has a handwritten note by John Poindexter at the bottom of it. I recall that document from two years ago.

Q Let's get that one.

(Pause.)

Is this the one here?

MR. COLBY: That's PT number?

BY MR. EGGLESTON: (Resuming)

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Q PT 5.

A You don't have page two of this. It's supposed to be a two-page document.

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A That's it right there.

Q They are identical. Essentially what I've done is kept them stapled as they came to us because I didn't want to

--

A This page on this document.

Q So the document you are referring to is the last page of PT Exhibit 6, which you believe is the last page of PT Exhibit 5; is that correct?

A (Nods in the affirmative.) That's my understanding.

Q Let me ask you. This is the one document of the documents numbered 4 through 8 that I have shown you that you actually recall seeing in the summer of 1985?

A That's correct.

Q And what is it that you recall about this document?

A I recall having a conversation with Admiral Poindexter that of all the documents that had been turned up and that had been under discussion as possibly being considered for being made available to Congress, one of the documents had a handwritten notation by him on it. I wanted him to be aware that we were considering not only sending or discussing official documents but also ones that had been personally notated with Members of Congress.

I just thought he should be aware of that.

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Q Did you have any discussion with him about the content of the document?

A No, not really. Admiral Poindexter, apart from his earlier memo in which he had authorized that the search be done, was really not that involved in Congressional responses dealing with the contras in the summer of '85. That was done exclusively by McFarlane.

Q Do you also here today recall the substance of this particular memo was about a ship, the ^CManinbo and that kind of activity, or is what you remember about it the fact that it had a note on the bottom of it?

A Well, the note primarily was what prompted my recollection yesterday, but I also do recall that it had to do with the fact that we had intelligence dealing with a ship and that the Admiral's notation here is potentially misleading, depending on how you interpret his choice of words.

I also should note that this memo does not appear to have been acted upon by anybody as far as checking the recommendations.

Q Could you read the Admiral's note which appears at the bottom of the page?

A The notes says: "We need to take action to make sure ship does not arrive in Nicaragua." It's initialled JP.]

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Q You indicated that you thought that that note was misleading in some fashion.

A Well, it could be interpreted certainly by some people to mean that the United States Government or whoever the "we" is, but by inference the United States Government, would need to take military action or a more aggressive type action. But that's just one interpretation. It could also be simply a sharing of intelligence with other nations that could be involved, preventing the progress of this ship.

I seem to recall that eventually the ship did in fact make it to Nicaragua, or perhaps that was another ship.

Q Did you discuss the substance or the content of this note with Admiral Poindexter at the time you mentioned to him that you were maybe turning over the note?

A No. It was really a passing conversation. In fact, we were standing up in the outer office at the time.

Q Okay. Did you discuss the content of any of these memos that I showed you today, if you recall, with Mr. McFarlane?

A Not really. He had himself each of the documents which were produced by the Freedom of Information or by the Secretariat search. He personally reviewed them in his office and in fact I think that earlier document you showed me in his own handwriting was his list of the memos that he wanted to focus on.

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He then discussed his Congressional response with North directly.

Q And how do you know that the list that I showed you previously, which I should probably have in front of me, how is it you know that PT Exhibit 3, that handwritten list, is a list of documents that he wanted to focus on?

A Well, I just recognize his handwriting, so I assume that when he was going through the documents those were ones that either were of great interest to him or of no interest to him. I don't know that they were of great interest to him; they could have been either way.

Q As you read these documents -- I guess I should ask it this way. Did you read these documents yourself prior to giving them to Mr. McFarlane for review?

A I can't recall that I did. The documents came over to me. They were handcarried over by, I believe, Brenda Reiger and Jim Radzinski or Brian Merchant, and we discussed the fact that many of them were very sensitive and that it would not be in our interest from a classification point of view to have them released to the Hill.

That's a recommendation that Brenda and I always make when we deal with the release of information -- the fact that it's protected for several reasons, not only classification but also, of course, executive privilege. Some of these documents, however, were not White House

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documents. They were NSC or institutional records and therefore Brenda and I were concerned that they might be more easily accessible by others.

Beyond that, I think I presented them to McFarlane by system, organized in a large folder. He then had them in his possession for a number of days in preparing his response to Congress.

Q Okay. If you'll permit the characterization, various of these documents seem to indicate that there is some involvement by Colonel North in various activities beyond merely meeting with contra leaders to pursue political goals. You may disagree with that characterization, and I understand that it's just a characterization, but PT 6, for example, the subject matter is [REDACTED] Aid to the Nicaraguan Resistance", and actually attaches to it false end user certificates for \$8 million worth of munitions.

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Do you recall any of these documents causing you concern about the degree of Colonel North's involvement in the activities of the contras?

A Well, we were obviously very sensitive to the concerns of Congress and to the restrictions that existed. Our specific request in this case was to respond to the allegations made by -- not the allegations but to the inquiries made by the Members.

I think I did talk to North about the extent of

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his travel to the area. I think he made eight or nine trips down there during that time frame. I wanted to know a little bit more as to why he was going down there so frequently, and I also asked him in regard to his fundraising or to his public speaking as to the extent of that involvement.

And he assured me that although he knew all the players and the people that were involved in this that he himself was not soliciting any money, that he was clearly speaking to a number of groups that were for the Administration's position, and he was very familiar and knew personally a lot of these members or a lot of these people.

Q Do you recall whether you discussed any of these documents in particular with Colonel North?

A No, I don't think I did. North's involvement with this was limited to his personal interaction with McFarlane and his knowledge and contribution to the drafting of various correspondence going back to the Hill. North, I think, originally had action on this matter and we took it away from him and gave it to, I believe, Ron Sable. I could be mistaken.

I think North offered to go to the Hill to meet with the Committees, but we preferred to have McFarlane do that, and that's the way it turned out. McFarlane, by the way, opted not to take North with him. He went up by himself to meet with Members.

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Q But as of the time you discussed with North his activities had you already reviewed these documents?

A I was -- I think I probably had. I can't say for a fact I did. When the letters first came in, all three of them came in, at some point either before or during that I had a conversation with North, and when I said there's a fair amount of interest in your activities and it's at that point that we discussed his fundraising activities and his involvement with the military folks in the contra movement.

Q As I recall -- I'm sorry.

A But I'm not sure whether I looked at the documents at the time I was talking to him or afterwards. I don't think he actually saw those documents, but of course he produced most of them.

Q So he may have had his own copies?

A He should have his own copies of each one of these.

Q As I recall, one of the responses -- I think the letter to Congressman Barnes -- did you see the letters to Congressman Barnes and Congressman Hamilton before they went out?

A I believe I did.

Q As I recall, the letter to Congressman Barnes says -- and I could find it because I think it has been produced among the materials that were produced -- I think among the

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things it says is that no one in the NSC Staff solicited or assisted in the soliciting of money for the contras. Let me just direct your attention to page two of PT Exhibit Number 7. It has a Committee number, just for identification purposes, the Committee number N-10620 at the top.

Paragraph two of it provides "the current donors must be apprised of the plan and agree to provide additional 25 to 30M", which I assume means million, "to the resistance for the purchase of arms and ammunition." Do you recall whether you read that paragraph of this document at the time?

A No, I can't recall specifically.

Q That paragraph would certainly suggest that Colonel North is involved in soliciting funds and is phrased as if going back to the donors and soliciting funds for lethal assistance. This would have been approximately six months or so prior to the time of the Barnes letter, which was early September.

A Well, it appears that this is an action memorandum in to McFarlane from North in which he is proposing various plans as part of an overall fallback plan in case the Congressional appropriation falls through, but it appears that the McFarlane recommendations don't on here, so that doesn't tell me he did it even if he was suggesting to. Of course, it doesn't say either who would apprise the current donors or how that would be done.

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So, you know, I think that's sufficiently vague on the face of it. You also don't seem to have the final page of this memorandum either so we can tell what final disposition was.

Q In any event, you don't recall reading that and being concerned about whether or not Colonel North might be involved in soliciting funds for weapons?

A No. Quite the contrary. If I read this and I get a clear direction from McFarlane telling him not to do that going back to March of that year, then that would tell me that he had been discouraged from pursuing that avenue.

Q Do you recall whether you discussed any of these documents or whether you had a discussion about this particular issue with Mr. Fielding?

A No, I don't. I know Fielding's primary interest in this whole matter was to obviously ensure that the President was not at all involved in any sort of activity which would be improper or have the appearance of impropriety. So those sorts of discussions should probably have taken place between McFarlane and Fielding, who were on the same staff.

Q So you didn't have discussions with Mr. Fielding about this issue?

A No. I don't recall. I should point out also that this memorandum came up through our system. This is PT

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Exhibit 7 came up through our system on the 16th of March, was routed to our General Counsel at the time, Bob Kimmett, who initialed off, and then it went straight to McFarlane, who appears to have taken action by initialing it. And then I notice he wrote on there a note to Poindexter: Please return to Ollie directly.

I should also point out we don't have the benefit of knowing what the approval was.

Q What the ultimate action was?

A Yeah, but the notation clearly appears to apply to each proposal separately as to whether it's okay to do or not okay. But Fielding was involved with Presidential participation. That was his main interest, and we always consulted him if it appeared the President was going to speak either in person or by video to a private group that was interested in advancing the contra cause.

Q So you don't recall any specific discussion with Mr. Fielding. As I just sort of recall from seeing various of the documents, it became kind of an issue with Congressman Barnes of Executive Privilege -- who could see the documents, who couldn't. It could be just him and not his staff.

A Now you're back to the procedural side and not the substantive side. On that area I might very well have spoken with either Fielding or Hauser. We normally talked several times a day on issues such as that.

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Q Do you know whether you provided Mr. Fielding or Hauser with copies of the documents?

A Don't know for a fact, but I could very well have done so. I could have showed them to either Fielding or to Hauser, or McFarlane could have done so in view of the fact, and not really responsive to the Barnes request as much as to the full Committee Chairman requests. I think they might have taken it more seriously.

Q You recall that there was a meeting that took place between Mr. McFarlane and Mr. Barnes, Congressman Barnes?

A Yes, very definitely.

Q Did you attend the meeting?

A No, no. It was just the two of them.

Q Do you recall whether you had a conversation with Mr. McFarlane around this time -- by "this time" I mean August-September 1985 -- about when the NSC documents become final?

A Yes.

Q Could you relate what that conversation was?

A Well, it was a very generic one. He was interested in knowing a little bit more about document creation, classification and control. I remember leading him through a general discussion on when documents are created by an NSC staff officer, as to whether or not they are a White

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House document or institutional document, at what point they actually are entered into the system and become a record copy to the point that they must be maintained, how they proceed through our system, the fact that they retain their original designation as either a Presidential or institutional document, and then from there how they ultimately are disposed of, whether they end up in the Archives, remain in the NSC files, whether they are subject to Freedom of Information Act, whether they are subject to Congressional access or not.

The thrust of the discussion, as I recall, was more toward -- at the time he appeared to be considering actually making documents available and I think it was a question of which ones would be clearly subject to Executive Privilege and which ones there would be less of a defense for. But I think that became a moot point because, as I recall, we turned out making no documents available.

We proposed the option of letting them look at documents as opposed to actually turning them over or reading documents to them, explaining contents to them. It's a normal routine we go through when we deal with Congressional requests.

Q Do you recall, though, this conversation took place in connection with the Congressional inquiries that arose out of the activities of Colonel North?

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A I seem to recall that it took place during that time frame, and it pertained to all of the documents which we had generated as a result of the search.

Q Do you recall whether he asked you or you had any conversation with him about whether or not it was possible to make changes in documents that might not be accurate?

A No. I don't know whether he specifically asked that. I understood his question to be more of when does a document really become a document. In other words, if it's submitted by North to him, he never acts on it, then is it still a document or can it be basically destroyed. He would be well familiar with our procedures to modify.

We either have what we call a redo or an addon document, which we use when we want to change a document. It receives the same four or six-digit action number, but it just has a designation on the front of it. So I don't recall that specific aspect of the discussion.

Q Did you -- but you do recall him asking you something about how to make changes to documents or what the procedure might be to make changes to documents if the documents are inaccurate?

A Not changes. I believe how to correct documents or subsequently to modify the contents of a document by issuing an amended document, but I don't recall actually changing existing ones.

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Q That's what I was asking you. Did he ask you whether it was possible to make changes in documents without reflecting the fact that the change had been made?

A I can't recall that specifically.

Q I'm asking whether he asked the question. I take it now or even then your response would be no, the way to make a change is to have an add-on. Do you recall whether he asked you whether it was possible to make a change to a document that turned out to be inaccurate, whether or not it was possible to change it?

A I don't recall that specific question, no.

Q Do you recall any discussion about a difference between documents that are among parallel people as opposed to documents from, say, North to McFarlane that are acted on -- that there was a difference in sort of whether or not they are a final document?

A Yeah, I seem to recall a general discussion of when a document actually achieves enough status to require perpetuity, but I can't recall really the context, the question, other than, as I just said a few minutes ago, it probably had to do with the fact that if a document were not acted on at all and there's no apparent notation on it, is that really a document.

Q Do you recall what you responded to him? Is it a document if it's a memo --

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A I think I probably said it was once it was in the system, once it was released by that staff officer and put into the system and had a number on it and went forward. Then I would imagine that it would become an official document created in an official capacity at that point. That probably was my answer, if I was asked that specific question.

Q And so your answer would have been it's not possible at that point to destroy it or simply eliminate it from the system?

A Probably was. You know, I haven't researched the Presidential Records Act to know for a fact. It would seem to me if a staff officer creates a document, has it typed and ready to go, but he then decides he doesn't want to send it forward and destroys it, then that's not a problem. But once he has sent it forward my guess would be that it probably should continue in existence.

But I don't think we had that specific a conversation.

Q Just one last question along this line, and that is do you recall anything about whether or not if it's a memo from two members of the NSC staff at the same level, as opposed to a memo going to a superior for action, that perhaps that is a document that could have been destroyed or was not a "document" for the purposes of the Presidential

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Records Act?

A A memo from two staff officers?

Q From a staff officer to another staff officer, a lateral memo, as opposed to a vertical memo, for lack of a better way of thinking about it.

A We certainly didn't have that sort of discussion at all.

Q Do you know what happened to the documents that had been collected, particularly the documents out of System IV, after the Barnes inquiry was over?

A I believe those were returned to the System IV custodian, either Jim Radzinski or Brian Merchant. They may have been sent via Brenda Reiger, but they should have been sent directly to the System IV custodian.

Q Would they have been sent by you?

A Yes.

Q And the other documents, the System II documents and the profile sheets, I take it they were maintained in a file somewhere; is that accurate?

A They should have been returned to Brenda Reiger for destruction also. These were all copies of the originals, so they had no independent validity.

Q Some weeks ago members of the House staff looked at two files that were produced for us that were relevant to this inquiry, and now I think we have been provided copies of

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those. I just wondered if those were files maintained by you in your offices.

A I don't think so.

MR. MC GRATH: Can you describe with any more specificity?

MR. EGGLESTON: You were not there, actually. Most of the documents that I'm showing you here today were present inside of that file. In addition, the actual documents that were taken out of System II were in those files. The documents that were taken out of System IV I think were not in the files, but the profile sheets of all the documents -- the 22 profile sheets -- were present in the files that we were shown.

THE WITNESS: That sounds like the file that Brenda had. Sounds like the working file McFarlane used to respond to Congress.

BY MR. EGGLESTON: (Resuming)

Q That was not a file then that has been maintained by you since the summer of 1985?

A No, no. We don't really keep any files like that in our office.

Q I take it you know a man by the name of Brent Scaroni.

A Yes.

Q Mr. Scaroni, right around the time of the

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Congressional inquiries also, as I understand it, begins an inquiry into the activities of Colonel North. Did you have occasion to meet with him about the inquiry that he was conducting?

A I believe I did.

Q Do you recall whether it was before or after the letters were sent to Members of Congress?

A No, I can't recall the timing.

Q Do you recall anything else about the meeting you had with him about his inquiry? When was it? Who else was present?

A Well, he came over to my office and we had a general discussion on whether or not the Boland Amendment and other restrictions would apply to members of the NSC staff. I think we had a discussion of that nature. I told him that certainly it was an interesting point. We have a case of the Boland Amendment specifically addressing the CIA and Department of Defense, and we had already determined that NSC was not an intelligence entity in that definition.

But I think about this time McFarlane had already represented to the Members of Congress that whether or not we were subject to the Boland Amendment we would consider ourselves subject to it, or words to that effect. So it seems like I had that sort of conversation with Scaroni. Apart from that, I don't know what we talked about.

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He would have had access to North and to the rest of the staff members within the NSC. I think he also sometime around that time frame provided McFarlane with a memo that had been done by the Foreign Intelligence Advisory Board on some element of Central America.

Q Do you recall whether during the meeting that you had with him you showed to him any of the documents that had been collected for the purposes of the Congressional inquiries?

A I can't recall that, no.

Q You don't recall handing him a stack and saying these are the same ones that I showed to Congress?

A No. We didn't show any to Congress that I know of. I don't recall showing any to him.

Q You do not recall?

A I don't recall his asking for any. He may have; I just don't recall it.

Q Do you think that he -- again just probing, making sure I understand your recollection -- do you have a recollection that you did not show him any documents or just that you don't recall?

A I don't recall either way.

Q Do you know whether he spoke to Colonel North?

A I don't know. I would assume he did.

Q Did you ever read his memorandum?

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A I think I looked at it.

Q I think his memorandum indicates -- and I did not bring a copy of it with me, although I suppose we could get it without too much trouble -- I think his memorandum refers to an investigation that he conducted and the second half of the memorandum is kind of a factual conclusion based on the investigation. He indicates that he had reviewed some documents. I'm not sure that's right, but I think that he makes a reference to his investigation.

I take it he reviewed -- would he have gotten those documents from anybody other than you?

A He could have received them from Brenda Reiger or he could have received them from a particular staff officer who shared them with him. You know, we work in close proximity and close relations with the staff of the Intelligence Oversight Board and the Foreign Intelligence Advisory Board.

Q He has -- just to tell you -- he has a recollection of getting documents from you and documents which you had indicated to him were the same ones that had been collected for the Congressional inquiry. Do you think that his recollection is incorrect?

A No. Could very well be. I would be surprised if I would have provided him with the same files that had been provided to McFarlane without a written request from the

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Intelligence Oversight Board. Perhaps I did.

Q Would you have provided him System II documents but not System IV? I know now you don't have a specific recollection, but my understanding is System IV are intelligence oriented, substantially more sensitive than System II. That may be an over-generalization. Would you just have shown him System II but not System IV in response to a request?

A It's possible. It depends on the nature of his request, but I really can't recall what aspects he was looking into. To this whole line of questioning, I can't recall whether we ever had a written request from the Board or whether he was just in my office to scope out whether or not the Board wanted to look into the issue.

Q So you don't recall any conversation with him about the documents or showing him the official documents as opposed to the ones in North's office or any of that? You don't recall any discussion with him along those lines?

A No.

Q Let me go out of '85 and into '86. In the summer of '86 -- and I don't have documents to show you on this -- in the summer of '86 I take it that there was a renewed interest in Colonel North, and that's the time when actually a resolution of inquiry was passed, and I believe you testified last time that some additional investigation was

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done to respond to that inquiry in the summer of '86.

Do you recall whether the records were checked again, whether there was a new records search check done?

A I really can't recall. Maybe I answered it last time, but I can't remember already.

MR. MC GRATH: Last time you did indicate that a system search was done.

BY MR. EGGLESTON: (Resuming)

Q That was sort of an introductory question to the next one, which is do you recall whether any records that were found in the summer of '86 -- do you recall whether there were any additional ones to the ones that were found in the summer of '85?

A No, I can't recall that.

Q We have not, I don't think -- and maybe I should be discussing this with Mr. Rawl and not with you, Mr. McGrath, but I don't know that we have received the same kind of file from the summer of '86 inquiry that you so graciously showed us with regard to the summer of '85.

MR. MC GRATH: I am not familiar, so I can't answer that.

BY MR. EGGLESTON: (Resuming)

Q You do not have any recollection?

A I'm not sure one was created. I can't recall a letter in '86, whether that pertained to events of '85 or

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whether that updated us through '86. Perhaps we're relying on information which we had already brought together for '85 to answer the '86 inquiry. I just don't know.

Q I suspect, though, you would have done some additional search to see if anything had happened. It would be unlike Congress to ask as of our last inquiry give us the same answer and don't go further up to the point of this --

A I would think we should have done some sort of search this time around. It was Poindexter who was National Security Advisor, and McFarlane had departed. He had been the one who had taken on the total responsibility of responding to Congress and made all three prior Congressional appearances.

So this time around it was not something that Admiral Poindexter, I thought, felt confident in doing on a personal basis. So we ended up having North made available to the Committee.

Q Did you deal with Admiral Poindexter in response to the request that came in the summer of '86?

A I'm sure. He was the National Security Advisor and he was the person to deal with, but we treated that letter the same way. We put a profile sheet on it. We staffed it to somebody for action, and we got our usual regional legislative, legal and informational people involved, and I believe the legislative folk came up with a

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strategy memo to Poindexter suggesting that either he go meet with the Committee or, if not, that someone else do so. And eventually it evolved into North himself being made available.

Q But you don't recall -- just to press this one step further -- you don't recall any files being generated with different documents or new documents or whether you saw the same documents again in the course of responding in 1986 as opposed to the 1985?

A No. I know we went back and checked our previous correspondence with Congress and put together a notebook of previous correspondence, and I can't recall whether there are documents in there also. I would be surprised. They should have been kept separately.

But in the notebook we had an up-to-date list of our involvement in Congressional interest. That was used to prepare our staff for the meeting with the House Intelligence Committee.

Q Let me direct your attention to late October, early November of 1986. There comes a time when a Mr. -- and I'm giving you information you may or may not have, and I wanted to ask you whether you were aware of this -- there comes a time when Mr. Furmark speaks to Mr. Casey and then people on Casey's staff, Charlie Allen and George Cave, about the financing with regard to the Iranian shipments of

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weapons, and in late October one of the claims that Mr. Furmark makes is a claim that the reason his associates are not getting paid -- and I think he mentions Mr. Khashoggi -- were not getting paid is that the money has been diverted to Central America and diverted to the contras.

I believe there comes a time when Mr. Casey sends a memo over to Mr. Poindexter, Admiral Poindexter, indicating to Admiral Poindexter that this was a matter that he should be apprised of and something he should take action on, and the fact that he should consult with his legal staff about --

MR. MC GRATH: Do you have that memo or a date on that?

MR. EGGLESTON: I think the memo is dated November 7; I don't have it with me.

BY MR. EGGLESTON: (Resuming)

Q Were you aware of that?

A No.

Q You were not aware of that?

A No.

Q When is the first that you learned, if you ever learned, that Mr. Furmark had made these claims about the diversion of the proceeds of the Iranian initiative to the Central American contras?

A I don't think I heard anything about this until after December. In fact, I don't know where I did hear it. I

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think I heard it in the press.

Q But Admiral Poindexter around that time did not consult with you about these claims?

A No.

Q Did you have a deputy at this time in the Legal Counsel's office?

A Yes.

Q Who was that?

A Bob Pearson. Robert Pearson.

Q I take it he -- "he" meaning Admiral Poindexter -- did not to your knowledge consult with Mr. Pearson about this either?

A Not to my knowledge.

Q On or about November 12 of 1986, I believe you testified just generally to this before, there was a meeting which involved yourself, Mr. Poindexter, and Mr. Cooper. At that time you showed the January 17, 1986 Finding to Mr. Cooper. Do you recall that?

A Yes.

Q Where did that meeting take place?

A It was in Admiral Poindexter's office.

Q And are you the one who actually produced the Finding, the January 17 Finding?

A It was in an accordion folder, where it had been for nine months, which I believe was in my safe. But it may

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have been Admiral Poindexter's.

Q That is what I was going to ask you. Do you know whose safe it had been maintained in?

A Not precisely. There were only two possibilities. He has a two-drawer safe and I have a two-drawer safe in the immediate adjacent office. So I think at this time frame it was in my office.

Q Do you recall when it had come to be stored in your office as opposed to Admiral Poindexter's?

A No. It's impossible to tell. He sometimes would have it in his custody for weeks or months at a time if he was discussing it with folks; other times he would give it to me, if we were traveling somewhere, and I would maintain it.

Q How soon after January 17 were you aware of the Finding? Did you actually see the document itself?

MR. MC GRATH: This has been asked previously.

THE WITNESS: Yes, the following Monday, which I believe was the 20th, was when I was handed it by the Admiral, and I showed it to the representatives from the Agency.

BY MR. EGGLESTON: (Resuming)

Q That was an intro to my next question, which is, did you then maintain it immediately after that, or did you give it back to Admiral Poindexter?

A I think Admiral Poindexter kept it for the

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immediate future after that.

Q Are we talking about the blue ink version, the original signed version?

A Yes.

Q That was signed by the President?

A Yes.

Q And I may have asked you about this, but I would like to ask you again. The CIA has produced what they call a mini-Finding which was drafted by Stan Sporkin, General Counsel at the CIA, shortly after the November '85 shipment. Have you ever seen the document I have just described?

A No.

Q To your knowledge was it ever signed by the President?

A Not to my knowledge.

Q Did anybody ever tell you that it was signed by the President?

A No.

Q Have you seen -- I've not shown it to you because I did not bring it with me, but have you ever seen the document I'm referring to?

A No. There was an earlier Finding involving Iran from early January, but you're talking about yet a different Finding.

Q Yes. I'm talking about one that would have been

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drafted in late November or early December of 1985.

A No. That sounds like that Finding didn't go anywhere.

MR. MC GRATH: The Finding you are referring to is substantially different than the ones that Mr. Thompson saw in late January.

MR. EGGLESTON: It's a Finding that relates to the November '85 shipment and it's a ratification Finding, if you will. It's a Finding which in the last paragraph, since the events had already taken place, is a Finding which states in the last paragraph or maybe the last sentence that "this Finding ratifies the prior actions by the Central Intelligence Agency."

BY MR. EGGLESTON: (Resuming)

Q I take it that description of it doesn't bring anything to your mind, Mr. Thompson.

A No.

Q Okay. Let me direct your attention to November 19, which was the day of the President's press conference. Do you recall immediately after the press conference receiving a telephone call from Chuck Cooper?

A Yes, I think I did.

Q And what was discussed in that telephone conversation?

A I think we talked about the fact that the

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President had not referred to the third country.

Q What did Mr. Cooper tell you about what the President had just said? This conversation would have been immediately after the press conference?

A Apparently so. I can't recall what he said.

Q Do you recall whether he was indicating to you that the President's statement that there had not been a third country involved was incorrect and that statement had to be changed?

A Yeah, it seems like that was it. But that would have been something that was remedied immediately. I can't recall much else. I know he was concerned. Yeah, he called me at home. I can't recall, however, the thrust of his call.

Q You were at home at the time?

A I believe I was.

Q Watching the press conference?

A Yeah. I may be confusing that with other calls I got from him. I received several calls from him during that period.

Q I want to ask you about some of them which take place, I think, with greater frequency on November 20, which would have been a Thursday. The 19th was on a Wednesday. You don't recall telling Mr. Cooper that you'll take care of it or you will correct or have corrected the President's misstatement about whether or not there was a third country

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involved?

A I may have. I was aware that there had been an additional press release immediately thereafter, so perhaps I assured him that it was being covered. I think it was released about something like 20 minutes later.

Q If this is the phone call you remember, after hearing from Mr. Cooper do you recall whether you took any steps to ensure that a corrected statement was being issued?

A No, I didn't. It was unnecessary. In fact, before the staff even came back from the residence they had already written and issued one on the way. So it was unnecessary.

Q How did you know that?

A I think it was on CNN. In fact, immediately they made a big issue out of the fact that this was an unprecedented way to end a press conference, by having an amendment.

Q You think you received this telephone call, though, from Mr. Cooper after the corrected response was issued on CNN?

A I can't recall.

Q Okay. Let me direct you to November 20. Now I don't have that much left. On November 20 there was a meeting in the afternoon in Admiral Poindexter's office. Did you attend that meeting?

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A Um-hum. I did.

Q Do you recall who else was present?

A From my recollection it was --

MR. MC GRATH: I believe this has been previously asked and answered.

MR. EGGLESTON: If you would like him to look at it, you can.

THE WITNESS: I don't know whether this is accurate compared to the actual calendar, which would show precisely who was there.

BY MR. EGGLESTON: (Resuming)

Q What page are you on?

A Eighty-four.

(Pause.)

It seems to me that the meeting was attended by Poindexter, Meese, Casey, Cooper and I'm not sure whether Gates was there. I'm not sure whether any other staff were there. Obviously we could easily --

Q I just wanted your recollection, trying to set the stage of who was there. And you have previously testified, I take it, that the purpose of this meeting was to go over and prepare the testimony of Mr. Casey which was going to take place the following day before the Congressional oversight committees.

A Yes. The purpose was to review, to learn what

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Casey was going to say, because at the same time that Casey was going to testify Poindexter was going to provide a briefing which was somewhat unusual, to have Congress receive both a confirmed member of the Administration and a person protected by Executive privilege to speak to them at the same time.

And it wasn't so important to have what Casey would say reflect what Poindexter was going to say, but vice versa. We wanted to make sure that Poindexter would be complementary to what Casey was going to say.

Q Do you recall whether Colonel North was at this meeting?

A I can't recall. I think he was. I believe he was, or he was in and out.

Q I think that you testified previously that at least one of the subjects at this meeting had do with the November '85 shipment and when the Administration officials or United States Government officials might have known about what was on the flights in the November '85 shipment.

A Um-hum.

Q Do you recall that that was one of the subjects?

A There was some discussion as to the degree of knowledge of the CIA as to the tasking or the request for the use of the proprietary airplane and the baggage to actually be transferred.

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Q Do you recall whether Colonel North was present or participated in the conversation about when people may have known?

A I believe he was. He is the person apparently who actually forwarded the request to or inquired of the CIA as to the availability of the aircraft.

Q Do you recall anything specific that Colonel North said about Director Casey's testimony in this regard?

A No. I can't say specifically. As I recall, the concern was whether or not this was a CIA-inspired tasking or whether it had come from the White House or the use of wordage, the words that described this request. There was a difference of opinion between North and, I believe, CIA as to how best to depict this event, but I can't recall specifically how that was resolved.

Q Do you recall Colonel North offering an insertion or an amendment to Casey's testimony which would have the testimony read that no one in the United States Government knew that the planes contained weapons?

A That was pretty close to the line of discussion.

Q The original draft or the draft that had been reviewed as of that time said no one in the CIA knew, and Colonel North wanted to amend it to read no one in the United States Government knew?

A I can't specifically recall, but that was

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generally what the discussion was about, as to the choice of words. I can't recall why even now your example would solve the problem necessarily, because CIA clearly went ahead and facilitated the use of this aircraft.

Q Do you recall that there was -- was there a dispute about how it should read? Was there argument? I don't want to over-characterize it, but what was the level of discussion about what should happen?

A It had to do with -- it wasn't really a dispute or a disagreement, but just had to do with the best way of explaining the use of the CIA's assets for an event which at the time it appeared we should have had more knowledge or more information on. So it was a question of getting more information. I know that was my observation.

My role in this was to ensure that Poindexter was ready and briefed to make his presentation the next morning, so I was less concerned with what Casey was going to be saying than with what Poindexter was going to be saying. But I do recall that that was a complicated section. I believe it was the very first page of Casey's testimony, where he talked about the role of the CIA in supporting this shipment.

Q Do you recall whether Admiral Poindexter took a position or offered an opinion about whether the testimony should read nobody in the United States Government as opposed to nobody in the CIA knew about the cargo of the flights in

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November of '85?

A I can't recall that Poindexter injected himself that much into this part of the discussion. It was primarily between North and CIA.

Q Do you have any recollection of whether or not he was supporting North or supporting CIA, what his recollection was of those events?

A No. At the time he was leaving it up to North. North had been charged with preparing the chronology and North had been clearly the person that had been in contact with CIA in November, and I think the Admiral was deferring to North's recollection of the event and leaving it up to North and CIA to try to resolve. I may not be fully aware of Poindexter's participation.

I know from my vantage point once again this was not something that Poindexter was going to have to discuss the next day.

Q That's what I was going to ask you. Was it your impression that he was going to have to give an explanation of when members of the NSC staff were aware that the flight was going to contain weapons as opposed to oil-drilling equipment or whatever the other story was?

A Yeah. I don't know how that part of the discussion was being conducted as far as what was on board. The greater interest -- and Cooper and I talked about this

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afterwards -- was why would North suddenly place a call to the CIA asking for an aircraft to be made available. That just did not appear to be very credible on its face without more context. So that it would be necessary -- a statement such as that is too simplistic. It raises more questions, and Poindexter did not appear to be in a position to be able to answer those additional questions.

That appeared to be North rather than Poindexter.

Q Had testimony been prepared for Casey for the following day as of the time of this meeting?

A Yes.

Q Do you recall whether that testimony said anything about --

A That's what we were reading from, his written testimony.

Q I know, and I have actually got several versions of the Casey testimony. What I was curious about, and maybe I misspoke myself, was whether or not the testimony had been prepared for Admiral Poindexter.

A No. I heard you say Casey.

Q I'm sorry, I probably did.

A No. Nothing was prepared for Poindexter except a summarized version of the chronology showing just the milestones was prepared.

Q And you don't think that that indicated whether or

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not anyone at the NSC staff knew as of the time these November flights were going whether or not those flights contained weapons as opposed to oil-drilling equipment or some other type of equipment?

A I can't recall what it said. I think it just showed the fact of the November shipment and I can't recall from the notes that I took whether or not this was an area which was gone into in detail the next day.

Q Let me ask you, as of the close of the meeting what was sort of the state of the record on how Mr. Casey's testimony would read on that issue? Was it going to read no one at the CIA knew or no one in the United States Government knew the true contents of the flights?

A I think that was still to be determined. North was supposed to do some more research or supposed to have further discussions with his counterparts in CIA. It was open-ended, as I recall.

Q After the meeting was over, where did you go?

A Well, I think I went back to my office for a while. There were a couple more meetings later that day.

Q Did you go to Mr. Wallison's office?

A Yes.

Q Was that immediately after this?

A I really can't recall that. I was asked that yesterday. I can't seem to fix the timing on that, because I

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know Armacost and Sofaer came over and met with Poindexter, and I sat in on that meeting. That went about an hour or so. But at some point either just before that or after that I found myself in Wallison's office with Cooper, and the three of us were out there for about 45 minutes or so.

Q I know I asked you about this before but I frankly have certain more knowledge about those events than I did before. You don't recall whether your meeting with Wallison and, I take it Cooper was also there in your meeting with Wallison; is that correct?

A I'm sorry. What was the last question?

Q What I wanted to ask you is, the meeting you had with Wallison, whether that meeting was before or after the meeting that you had with Admiral Poindexter.

A It was definitely after.

Q It was definitely after?

A Yes.

MR. MC GRATH: We're just referring to the long discussion?

THE WITNESS: Yes.

BY MR. EGGLESTON: (Resuming)

Q Let me just make sure we're clear. There's a long discussion that has got Meese, Casey, Poindexter, other people.

A That was about 1:00 that afternoon.

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Q That was about 1:00?

A Um-hum.

Q And then you have described two other meetings, two other places. You think you were at a meeting with Poindexter, Sofaer and Armacost, and a meeting with at least you and Wallison.

A Yeah.

Q As to those two meetings, do you have any recollection of which came first and which came second?

A No. I would guess that the meeting with Armacost and Sofaer came first. The reason I guess that is because Sofaer would have returned to the State Department and perhaps had a discussion with Armacost and perhaps Shultz, because when I was meeting with Cooper and Wallison, Sofaer called Wallison and at that point he seemed to be armed with additional information which he would have received from the Poindexter meeting.

He would have gone back, compared notes with what Shultz' account was, which apparently showed more interaction with McFarlane during the fall of '85. This created the scenario or the background for a considerable number of phone calls throughout the evening among Cooper, me, Poindexter and, apparently, the CIA testimony writers to try to reconcile the recollection of these various people.

It appeared that Sofaer's contribution was to

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offer the fact that Shultz had been more aware of the November shipments than we thought anyone was aware of. He apparently had a number of discussions with McFarlane.

Q And he was actually aware of the contents, that it was weapons?

A Apparently so.

Q As opposed to non-weapon material?

A Apparently so. That was an additional factor that was new, certainly to me. I don't know who else it was new to, but we then throughout that evening had a series of phone calls in which we decided that the CIA testimony needed to be modified to reflect that information.

Q I take it it was modified back to the CIA didn't know without commenting that other officials of the United States Government did know.

A I don't know how that was done. Cooper was with the CIA folks at the Department of Justice. I never did in fact see the final CIA testimony. And, as I recall, the next morning Poindexter briefed the Intelligence Committees on the contents of the shipment.

Q And told them that it was --

A I believe that was the case. I could look it up.

Q Do you recall whether that afternoon or evening you called either Colonel North or Mr. McFarlane after hearing from Sofaer to determine whether or not they

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continued to believe -- what their position was on this issue after hearing that McFarlane had told Shultz before the shipment that it was weapons?

A When I was with Wallison and Cooper I tried to call North. I don't think I got to him. Perhaps I did; I can't recall. The three of us decided that we needed more information and we called North. We were going to have him come over and meet with us. I can't recall what happened. I don't think he came, and I can't recall the contents of that discussion.

But I then went down and told Poindexter it was important that we talk to McFarlane to find out his recollection of what Shultz had told him, and, as I recall, later that evening Poindexter did talk to McFarlane. I believe he did. McFarlane was traveling at the time and unavailable.

Q Did Poindexter tell you the results of his conversation with McFarlane?

A No. I didn't talk to him again. I talked to him, I think, once that night, and at that point he still hadn't reached McFarlane. After that, I don't think he told me.

Q Let me just sort of -- on Colonel North, do you think on the evening or afternoon of the 20th you ever discussed with him, after hearing from Sofaer his information about what Shultz knew, do you think you confronted him with

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this difference in story?

A The two names again?

Q I'm sorry. It was not a very artful question.

Let me ask it again.

As I understand it, your testimony was when you were with Mr. Cooper in Mr. Wallison's office you learned from Mr. Sofaer that Shultz had a specific recollection of knowing prior to the shipment that it was HAWKS and that he had learned that from McFarlane. You indicated then that you had tried to get in touch with North.

My question is, do you recall whether you ever did get in touch with North and discuss this issue with him?

A No, no. I think that was my last attempt at communication with North, was that evening from Wallison's office.

Q And you don't think you ever got in touch with North?

A I don't recall at all, no.

Q And on McFarlane you never personally spoke to McFarlane that afternoon or evening?

A No, never.

Q You think that Admiral Poindexter might have?

A He was certainly intending to. And I don't think I found out whether he did or not, because the very next morning we started in at 7:30 briefing Congress.

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Q So as of the time, I guess as of the time that you went to bed on Thursday night did you not really know which way this issue had come down?

A That's right. It was not -- I mean, it was going to be something that was to be resolved between Cooper and CIA, so I don't think I really knew until the next morning, and I'd have to look at my notes to see what Poindexter said. And I don't know what Casey told the Hill.

Q I probably have those notes. That's probably not what you were hoping to hear.

A Actually, I have them.

Q You do? You have the spiral notebook at the top?

A Yeah.

Q Why don't you mark this as PT 9?

(The document referred to was marked PT Exhibit Number 9 for identification.)

A Around page 1450 or so.

Q The version I have doesn't have page numbers on it.

A Well, we're not far from the end anyway.

Q I see a reference to it at the very end of his HPSCI testimony.

A That's where I just deduced it must be.

Q It's the only place. Maybe it would be easier for

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you to look at this one. This was provided to us. It's actually out of the original. It's FBI number T-3.

A There was one other shipment of which we did not approve, that is to say the President did not approve, November 18. HAWKS from Israel to Iran. Yes, he told the contents. I learned about it in January, reversed in February. Yesterday there may have been some prior U.S. Government knowledge.

I don't know what that means. So he did refer anyway to the contents.

Q But this note indicates that what he told the House Committee was that he was not aware as of the date of the shipment that it contained weapons but he learned of it in January of '86 and the shipment was reversed in February of '86.

A Yeah. Those HAWKS were in fact returned from Iran to Israel. It appears that Poindexter said he learned about the entire transaction in January, not before.

Q Does this "yesterday" indicate to you or do you recall him saying that he had learned only the previous day that the United States Government, some people in the United States Government, may have had prior knowledge that it was weapons?

A I don't know. I have three question marks by that myself.

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Q What is the word under "yesterday"? "Knowledge"?

A There may have been some prior U.S. Government knowledge. He must be referring to the fact that it was learned yesterday that there was prior U.S. Government knowledge -- Shultz, McFarlane.

Q But his testimony was that he did not know of it.

MR. MC GRATH: Do you want to just mark that one page 9?

BY MR. EGGLESTON: (Resuming)

Q I actually marked the whole thing 9.

A This was a briefing. It wasn't testimony. I don't know what Casey's actual testimony said.

Q Let me figure out a way to identify this so that the record is clear. What I've done is marked this entire exhibit as PT Exhibit 9. It has the FBI number T-3 on it, and this is the last page of Mr. Thompson's notes out of the testimony by Mr. Poindexter before the HPSCI. The next page is titled 11/21/86, and at the top right it says Durenberger-Leahy, McMahon and Newsome. So it's the last page before what appears to be Mr. Thompson's notes on the SSCI testimony.

So at least as of then -- I take it, as I recall, this was quite early in the morning.

A It was around 8:00 on that Friday.

Q On the Friday?

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A Um-hum.

Q So at least as of that time Admiral Poindexter was testifying that he at least did not have any prior knowledge that the flights had contained weapons and that he had not learned about it until January of '86?

MR. MC GRATH: Just as a point of correction, I don't believe Poindexter was testifying.

BY MR. EGGLESTON: (Resuming)

Q Briefing the Committee. I think my recollection is it was not under oath, although I don't know.

Do you recall, prompting your memory, do you recall telling Mr. Cooper in the late afternoon or evening of November 20 that North and McFarlane stuck to their story about whether or not the United States Government knew, anyone in the United States Government knew that the November flights contained weapons prior to the time they had been shipped?

A That North and Poindexter stuck to their story?

Q I'm sorry, North and McFarlane stuck to their story.

A That there was no --

Q That there was no prior United States Government knowledge.

A That I would have told Mr. Cooper on November 20?

Q Right, and that Cooper responded to you they can't

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stick with that story because the State Department has notes?

A I don't recall that, but that was clearly the main point about which Cooper and I were talking during that time frame. I never did talk to McFarlane, so I would have heard from someone else about McFarlane's position on this. I can't recall discussing with North his views, but it's entirely possible that Cooper and I talked about it and the fact that so far, to the best that we could find out, that was the result of our research.

Q Did Sofaer tell you or tell Cooper, who told you, that if Casey went with the story that no one in the United States Government knew that he would resign or there would be resignations over that issue?

A No.

Q Do you recall any discussion of people resigning if Casey would have testified that no one in the United States Government knew?

A No. I don't think the word "resignation" was ever used in a conversation I had with Cooper. I never did talk to Sofaer.

Q You never had any direct conversation with Sofaer?

A No.

Q I guess except for the meeting with Armacost, but that was before Sofaer had learned about the notes at the State Department.

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A Yes. Sofaer brought in the whole Shultz aspect of this thing. We were not aware of that before.

Q I'm almost done.

MR. MC GRATH: Famous last words.

MR. EGGLESTON: No, I've been pretty good.

BY MR. EGGLESTON: (Resuming)

Q On November 22 -- we have asked various people about this and I just want your best recollection about how it was that Reynolds and Richardson got into the Ollie North suite. Where did you meet them in morning just mechanically -- nothing really more than mechanically. Where were people? Where did they meet? Where did they go? Where did they end up?

MR. MC GRATH: You may want to refresh your recollection from previous testimony. I know this was at least touched on.

BY MR. EGGLESTON: (Resuming)

Q It was definitely touched on, and if you want to look at it you can. It looks like it's on the top of page 91.

A This is where Cooper called me Saturday morning?

Q Right. I guess that's at the bottom of page 90.

A Cooper called me Saturday morning, I recall, around 10:30 or so and informed me that he was going to send over Brad Reynolds and John Richardson and asked me would I

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get them cleared in and also get them parking, which I did.

I also called North's office and at the time I didn't get any answer at all, but shortly thereafter Bob Earl showed up. I met Reynolds and Richardson in the West Wing and personally escorted them to Suite 302 in the Old Executive Office Building.

Q Let me stop you for a second. So your recollection is that you met both of them in the West Wing and took them both together over to North's office?

A That's correct.

Q Okay.

A We went inside and there was Bob Earl, who was the only member there of the staff directorate, and he introduced himself and the three of them set about reviewing files, which he was making available to them.

Q Just one other question. I only have a couple other questions on this. As of the time that -- I take it that you entered the office with Richardson and Reynolds. As of the time that you entered, are there files already out on North's conference table?

A I don't recall any.

Q Do you recall how the files were selected for Richardson and Reynolds to review?

A No. I think we thought, or they thought the most orderly way would be to review the chronology files going

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back to the beginning of this initiative, so I think what Earl did was make available to them the accordian files starting out with the first ones in chronological order.

Q Do you recall -- and I know these are very detailed questions -- so it's your best recollection they weren't sitting out anywhere waiting for Richardson and Reynolds?

A No.

Q Did you see Earl actually get the records, get the documents or files for the two of them to review?

A No, I don't. I think I left right away. When I came back later the table was strewn with accordian files. At the time, they were just getting organized. I think I left pretty fast. I was just helping them get there.

Q Did you also cause Mr. McFarlane's records to be searched that morning for any relevant documents?

A I believe so. There was a search done that day by Brenda Reiger or under her auspices of, I believe, both McFarlane's and Fortier's files, but I've been asked a lot about that first search and I don't have very good recollection.

Q Did you ask Brenda to search McFarlane's and Fortier's files?

A I would have. That was the only way they could be searched. She wouldn't have custody of them.

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Q And she wouldn't have done that on her own; the request would have had to come from you?

A Yes.

Q And if Richardson and Reynolds would have asked her to do it, she wouldn't have done it? Having met her, I have the impression she would not have done it.

A Yes.

Q Did she produce any documents in response to your request?

A I can't recall.

Q She has -- and I'm just telling you this to refresh your recollection; it may not -- she has a recollection of producing some files, two or three files, of documents to you and that sometime later she got them back. Do you recollect receiving any from her? I think she didn't describe very many, but some amount.

A Yes. I think there might have been a couple of files from either McFarlane or Fortier from this time period.

Q Did you give them to Richardson and Reynolds?

A No, I don't think I did. I think I looked through them myself. I don't think -- you know, I really can't recall. I may have taken them over there.

Q Did you know what it was they were looking for?

A No, not specifically. I think they were trying, as I think I said before, to substantiate aspects of the

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chronology and depiction of events which had been recorded to date.

Q I guess what I'm asking is, you had indicated that you might have just looked through them yourself and not given them to them. I just was curious how you knew that they were not interested in seeing these files themselves.

A Well, they would have been files pertaining to the Finding or the initiative to open up this particular channel with Iran, so it was easy to look at the file and determine whether or not they were relevant.

Q So it's your recollection you looked at the files and they didn't have anything to do with the Iran initiative at all?

A That's right.

Q Do you recall seeing Colonel North around noon on Saturday the 22nd?

A Yes.

Q Where did you see him?

A He was in his office.

Q And as of the time that you saw him, around noon or, I should say, around lunchtime, were Richardson and Reynolds there?

A Yes.

Q Did they leave shortly?

A Yeah, they went out to lunch some time

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midafternoon or so. I can't recall whether they were there when North was there or not. It could be they were not.

Q Again I'm asking sort of a detailed recollection. Did you go somewhere with Colonel North?

A No, I don't think so.

Q Do you remember walking out of his office with him over to the West Wing?

A I can't recall it.

Q Okay.

A I know I was in his office and he said something like these folks wanted to see files, so here are files, or words to that effect. I can't recall. The only other contact I had with North was a phone call to him later that day.

Q How did you happen to be in his office around lunch hour?

A I can't recall that either, unless I was just stopping by to see what was going on. We had some problems in manning that office for the whole day because it turned out that the Justice lawyers wanted to stay a little longer than we had thought they would, so it was necessary to have some staff with them at all times. So I think I may have been checking into that. I don't know.

Q Okay. But you don't recall walking over to the West Wing or walking anywhere with Colonel North as of the

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time you saw him?

A I don't recall that.

Q You don't recall seeing him with a stack of documents under his arm leaving his office?

A No.

Q I may have asked you about this before, but if I did I have forgotten. Let me just ask you about it again. That is you said you had a telephone conversation with Colonel North later that afternoon.

A Um-hum.

Q What was discussed?

A Cooper called me and wanted to arrange an appointment with North on Sunday.

Q So you called and set up the appointment, okay. There comes a time when you receive a stack of documents from Brendan Sullivan; is that correct?

A That's correct.

Q Were they delivered to you?

A No. I went up and got them.

Q Did you have a conversation with Mr. Sullivan about them when you got them?

A About the documents?

Q Um-hum.

A Not really. They were in a sealed envelope and he informed me that he had inventoried them and that his client,

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North, desired to return them to the custody of the United States Government.

Q The last thing I want to ask you about is where sort of various documents were as of the time that sort of the document investigation began around November 25.

As of November 25 who has got the January 17 Finding?

A I can't recall. We had made the decision as an institution some time in November to promulgate the Finding. We had requested, Poindexter had requested through me that it be sent out through the [REDACTED] channel and I had relayed that request to our intelligence directorate, to Brian Merchant and to Vince Cannistraro. I believe they came back to me and said they needed the original in order to do that, and I can't recall at what point I gave them the original.

Q You think, though, that as of November 25 you had already given up the original of the January 17 Finding?

A I believe I had, yes.

Q Did there come a time on the 25th when Mr. Poindexter, Admiral Poindexter, gave you documents to store for him?

A Yes. He gave me a number of documents, I believe a cover memo to the Finding, and a couple other documents which he left with me because he was effectively leaving that day.

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Q I'm sure you've seen this. Let's have this marked PT Exhibit 10.

(The document referred to was marked PT Exhibit Number 10 for identification.)

It has got some writing on it which was probably not on there at the time. Was this one of the documents that he gave you, if you know?

A I can't tell. I assume it is. It appears to be talking points.

Q Have you seen this document before?

A I don't really recognize this. I can't recognize it. I don't think I've seen it. The terms of reference I recall that appear to be appended to it.

Q I believe this is the document that Messrs. Cooper and Richardson found, a copy of the document that they found in Colonel North's files that started all the action.

A I don't recall this document.

Q You don't recall, then, whether that is one of the documents that Admiral Poindexter provided to you?

A No.

Q Did you look through the documents that he gave you to hold on the 25th?

A No.

Q I take it then there came a time when Brenda

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Reiger came to get them from you?

A Actually, the FBI came and I gave them all direct to the FBI.

Q And you had not looked at them?

A No.

Q Did you have any other documents relating to the Iran initiative in your safe?

A Yes. I did. I had some legal memos, one written by Davis Robinson, which had been an underlying justification for proceeding under the National Security Act, and I think I had a couple of memos which had been sent to us from the Intelligence Oversight Board. I believe I had a copy of the chronology, items that I'd gathered in November of '86 to assist in trying to sort out this matter.

Q Let me just ask you a few more questions about PT 10. I take it, then, that you do not recall having seen this document in or about the spring of 1986?

A No.

Q And you don't recall having seen this document with a cover memo attached to it. You just haven't seen this document ever?

A No. I don't think I've seen that before just now.

Q Do you recall whether in late 1985 or early 1986 you ever saw a document which made reference to diversion of proceeds of the Iran transactions to Central America?

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A I don't recall having seen such.

Q You don't recall, and I take it if you had seen such a document you think there's a fairly high likelihood that you would recall having seen it?

A I would think so, certainly with the words "diversion" contained therein.

MR. EGGLESTON: I don't have anything more. Thank you very much. I appreciate it. Actually, just give me one second to go through my notes and make sure. I'd hate to have you come back again.

MR. MC GRATH: One thing I would like to say on the record is that this was a classified hearing and all matters should be treated at the Top Secret, I presume Codeword, level.

MR. EGGLESTON: Thank you. Thank you for coming down.

(Whereupon, at 12:45 p.m., the taking of the instant deposition ceased.)

SIGNATURE OF THE WITNESS

Subscribed and sworn to before me this _____ day of _____, 1987.

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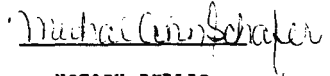
My Commission Expires: _____

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CERTIFICATE OF REPORTER

I, Michal Ann Schafer, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.



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My Commission expires February 28, 1990

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Committee Hearings
of the
U.S. HOUSE OF REPRESENTATIVES

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4 DEPOSITION OF COMMANDER PAUL
5 THOMPSON

6 Friday, July 24, 1987
7

8 U.S. House of Representatives
9 Select Committee to Investigate
10 Covert Arms Transactions with Iran
11 Washington, D.C.
12

13 The committee met, pursuant to call, at 1:30 p.m., in
14 room 2203, Rayburn House Office Building, with Ken Ballen,
15 (Staff Counsel, House Select Committee) presiding.

16 Present: Ken Ballen, Staff Counsel, George Van Cleve,
17 Chief Minority Counsel, Jack Taylor, Investigator; Richard
18 H. Giza, Subcommittee on Evaluation, Permanent Select
19 Committee on Intelligence.

20 Also Present: Timothy Dayton Keating, Captain, Judge
21 Advocate General's Corps, United States Navy.
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1 Captain Keating. Counsel understand that the
2 reporter is a notary public in the State of Maryland, and
3 knows no objection to this reporter administering the oath
4 for purposes of this deposition, and has no objection to
5 the form of the oath.

6 (Witness sworn)

7 BY MR. BALLENG:

8 Q Commander, you have been deposed before on two
9 prior occasions, and I will endeavor not to go into areas too
10 much that were gone into before. We may touch upon them, but
11 we are not going to go into them in any extent. I hope to
12 get you out of here at a reasonable hour.

13 In your earlier deposition you testified that in
14 the summer of 1985 in response to congressional inquiries
15 about Colonel North's support for the contras, you collected
16 certain documents from Mr. McFarland and reviewed the
17 documents and spoke to Colonel North about them, is that
18 correct?

19 A Yes.

20 Q From the documents you were generally aware that
21 North was involved in support for the contras. Would that
22 be a correct statement?

23 A I was certainly aware that he was familiar with
24 many aspects of the contra movement.

25 Q Without getting into details, what was your

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1 your understanding, based upon those documents, and other
2 knowledge you had at that time, of Colonel North's role in
3 supporting the contras?

4 A I had no independent knowledge at all.

5 Q When you say independent, what do you mean by
6 independent?

7 A Independent of conversation I had with North and
8 my review of the documents. And when I looked at the
9 documents, it seemed to suggest that perhaps the documents
10 themselves didn't tell an accurate story or that North
11 himself, if he was in effect doing what was reflected in the
12 documents, was perhaps not aware of the constraints of the
13 legislative activities such as the Boland Amendment.

14 These particular documents come through our normal
15 NSC system. They have been introduced not as a normal
16 classified system for a document would be, but they have just
17 been put into the general secretariat files and sent through.
18 They have been initialed off by our general counsel at the
19 time, and had gone up through the Deputy National Security
20 Advisor to Mr. McFarland. So on the face of them, they are
21 very contradictory.

22 They did not seem to suggest any sort of
23 particularly protected activity, and also many of them had
24 markings on them that were ambiguous. Very few had actually
25 been approved. They possibly had margin type notations. It

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1 was a rather confused paper trail that was presented to me,
2 and I then presented that in turn to Mr. McFarland, who took
3 it from there as far as deciding what he wanted to do in ,
4 responding to the congressional request.

5 Q Did you discuss the documents with Mr. McFarland?

6 A Yes. I had a number of occasions to talk to him
7 about this particular request from Congress, and of course,
8 the request for documents is really just one part of the
9 congressional request. The real request from the Congress
10 was "please tell us about newspaper reports we have seen
11 dealing with the activities of North," and that can be done
12 in many ways.

13 It can be done by a meeting with the members. It
14 can be done by a letter. It can be done by sharing documents,
15 and we normally work out through a long series of discussions
16 with staff and members of the committee how we are going to
17 go about doing that.

18 In this case, I had that discussion with Mr.
19 McFarland, explained to him that these documents on the face
20 of them were contradictory, and that they needed his personal
21 attention, and that he probably should endeavor to talk to
22 the members themselves on the Hill, that his ability to
23 depose documents -- that is, turn them over to Congress --
24 was subject to certain restrictions as Executive privilege
25 in certain cases, depending on the types of documents.

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1 Q If I understood you correctly earlier, you said
2 that the documents may have revealed that Colonel North was
3 not aware of some of the legislative restrictions such as
4 a Boland. What led you to that conclusion, upon reviewing
5 the documents?

6 A Well, it depends on how you interpret the documents
7 They could be interpreted as ones in which North was a
8 recipient of affirmative intelligence information, and was
9 reporting on the status of things. Or they could be
10 interpreted as ones in which North was more actively
11 participating, and that would require further discussion
12 with North.

13 Q Did you discuss that with North at the time?

14 A I had one discussion with North, and as I think
15 I have stated before, I discussed with him the aspects of
16 concern that I believe were communicated by the committee.
17 If not, they were certainly ones that were of concern.
18 Perhaps they were in the press report, but they had to do
19 with the rendering of tactical military advice, and they had
20 to do with the solicitation of funds. And I discussed both
21 of those aspects of it with North.

22 Q What did North tell you?

23 A North was quite emphatic about the fact that he
24 was not engaged in either of those activities. We discussed
25 at some depth his speaking engagements. He assured me that

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1 even though he spoke frequently to a wide range of groups,
2 many right there in the White House, that he restricted his
3 presentations to providing facts and Administration policy.

4 We even talked about I believe some sort of
5 address in Valley Forge or something, where money could be
6 sent away ~~for~~^{if} people wanted to make contributions, but he
7 was quite emphatic about saying that no, he wasn't doing it,
8 but he was aware of the fact that he wasn't supposed to be
9 doing it.

10 Q The same with respect to tactical military advice?

11 A On that side I was aware he had made several trips
12 down there, which I think I have also stated, and I wanted to
13 know the purpose of the trips and who was paying for the trips,
14 and I believe he told me most of them were either in
15 conjunction with State or Kissinger type trips, or Shauderman,
16 or they were interagency sanctioned trips.

17 North was very close to Admiral Moreau, and to the
18 general officer who was in charge of SOUTHCOM in Panama, so
19 we discussed the trips and he told me that in no way did
20 they border on tactical military advice.

21 Q Did you discuss with him any of the specific
22 documents or not?

23 A No. The documents were brought to me by our
24 Director of Information Policy, Brenda Reger, who had
25 produced them in a normal agency search, as is always the

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1 the case when you have a request for documents.

2 I then noticed, as I have said, they were
3 ambiguous in many respects, but they also contained certain
4 other protections, which are relevant, and I immediately
5 gave them to McFarland in accordian files and he kept them.

6 Q Did McFarland express his view on the documents
7 to you or not?

8 A He spent a fair amount of time looking them over
9 and I know he talked to North about them. My conversation
10 with him --

11 Q How do you know that?

12 A Well, Colonel North had appointments, and a couple
13 of times we would remind him that he had a congressional
14 response due. We try to be as responsive as we can to
15 Congressional letters, and so we wanted to answer it.

16 He would retrieve from his desk, from his file --
17 the accordian files, and read through the documents, and then
18 right around that time would ask to speak to North, so I would
19 assume that is the purpose of it.

20 Q Did Mr. McFarland express his view that the
21 documents were troubling to him?

22 A He asked me in depth as to the status and
23 characterization of the documents. We had the typical
24 conversation between the head of the agency and counsel of
25 an agency, as to when a document achieves a permanent status,

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1 when it can be modified, when it can be changed to reflect
2 differences of facts or views. So we did have that sort of
3 in-depth conversation.

4 In fact, I went so far as to offer him a briefing
5 by Brenda Regar on that subject.

6 Q What did you advise him? Did he indicate his view
7 that he wanted the documents modified or altered?

8 A No, he didn't. I inferred that the reason he was
9 asking the question, because he felt they didn't perhaps
10 reflect what he wanted them to say. They weren't accurate as
11 far as what was really transpiring, but my advice was rather
12 emphatic that he could not remove those particular files
13 from the permanent records of the system. That they had in
14 fact achieved a status of permanency.

15 Q Why was that?

16 A Why did I reach that conclusion?

17 Q Yes, or how did they achieve that status?

18 A Well, they had been drafted by a member of the
19 staff in an official capacity, and basically neglected,
20 sent forward to someone who was in a different office in
21 the chain of command, who had received them. So I think they
22 had achieved that status.

23 If North had just typed them and then ripped them
24 up at the end of the day, I don't think they would have, but
25 the fact that they were neglected like that --

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1 Q How did that affect --

2 A I explained to him he could either add on or
3 redo them, which is a frequent way we modify documents all
4 the time, but that the originals would have to retain their
5 status.

6 Q In other words, you told him he could modify the
7 documents but the original documents had to stay in the system

8 A That is correct.

9 Q How did he respond when you told him that?

10 A He really just thanked me for the presentation.
11 I then went back to my office and called Brenda Regar to
12 confirm what I had told him was precisely our position and
13 policy, and did her interpretation agree with mine, and she
14 said that it did.

15 Q Let me ask you, do you recall nay of the documents,
16 one concerning the Manimbo, is that correct?

17 A The ship?

18 Q Yes, the ship. I don't want to go over this in
19 detail. You did go over this before.

20 A The reason I remember that one is because it had
21 handwriting on the bottom of it. When I was shown these
22 documents a year and a half later, I could not say for
23 certainty that I had seen any of them with one exception of
24 that one, because that one had handwriting on it, and I
25 wanted to advise Admiral Poindexter, which I did, that a

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1 document with his handwriting notation on it was most likely
2 going to be shown to a member of Congress.

3 Q We have that -- the missing pages. We can take a
4 break at that point and just finish this line of questioning.

5 A We had, as you know, progressed in our treatment
6 of this particular congressional request to the point that
7 McFarland had met in person with both the House and the
8 Senate committees, and those committees appeared to be
9 satisfied and did no longer press for actual documents.

10 However, Congressman Barnes, in a separate endeavor
11 altogether, did come back and ask for documents, and eventually
12 by I think some time at the end of September, we had reached
13 an accord with him and staff that he would be given the
14 opportunity to review the documents, and at that point, I
15 told Admiral Poindexter that a document with his handwriting
16 on it was probably going to be shown to a member of Congress.

17 That is why I recalled that document a year and
18 a half later.

19 Q How did Admiral Poindexter respond to that?

20 A He said he had no problems if we wanted to show
21 it to him.

22 Q Let me ask you this. Did Mr. McFarland ever have
23 any discussions with you about the applicability of the
24 Boland Amendment to the NSC staff?

25 A That was one aspect of the letters which we

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1 A That was one aspect of the letter which we
2 originally got in, and we did have a discussion on that. We
3 had prepared within our staff, also in August, I should point
4 out, when we received this letter, we reviewed our files to
5 see what we had internally on the Boland Amendment, and we
6 discovered that we had very little, and our Deputy General
7 Counsel, Bob Pearson, asked our legal intern of that particular
8 summer to draft a short memo going into the legislative
9 history of the Boland Amendment, and find out what sort of
10 relevance it would have to the NSC staff.

11 Then I received that document when I came back from
12 my trip in August, and I gave that, along with a copy of the
13 actual language of the Boland Amendment and a copy of these
14 20 or so documents to Mr. McFarlane, so he had all three of
15 those there. And we did have a discussion -- I had a
16 discussion -- with him right around this time frame as to
17 whether or not the NSC staff could conceivably violate the
18 Boland Amendment by virtue of the fact that we have such a
19 limited budget and we have no funds available for anything
20 other than what they are appropriated for, which is primarily
21 to pay the rent and the electricity.

22 But that became a moot point in our conversation
23 because he had made the determination that the NSC staff had
24 not violated the Boland Amendment, so we never debated it or
25 we never advocated pros or cons to that point.

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1 I think we determined that we probably would not
2 be subject to it under the strict definition of an
3 intelligence agency, but we clearly had several arguments as
4 to its relevance to members of the staff, and depending on
5 what capacity they were acting in. You have to actually follow
6 the money and follow the documents to determine whether or
7 not we are talking BNSC, National Security Council staff
8 money, we are talking National Security Council staff
9 documents.

10 But the argument became moot when he determined
11 that no one on the staff had violated the Boland Amendment,
12 and that ended up to be the gist of his answer back to
13 Congress, which he accompanied with a personal appearance.

14 Q Did you have any subsequent discussions with
15 Admiral Poindexter about the applicability of the Boland
16 proscription to the NSC staff?

17 A Not really. That was I believe the end of
18 discussions on Boland for that time period.

19 Barnes showed up.

20 Q How about subsequent time during your tenure at
21 NSC?

22 A The next time it became an issue in responding to
23 Congress in which I was brought in, was the following spring,
24 and no, I did not have discussions with the Admiral at that
25 point. I saw the solution to congressional concerns with

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1 North's behavior to be making North available to the committee,
2 and that was what I recommended be done. I had actually
3 thought it wise to have North made available the preceding
4 year, but Mr. McFarlane insisited that he go alone.

5 Q Let me ask you this. After presenting the
6 documents back to the summer of 1985, August of 1985, did
7 there come a time when you met with Bretton Sciaroni?

8 A Yes.

9 Q Do you want to refer to your prior deposition?

10 A I have been asked to answer these same questions.
11 In fact, Sciaroni's name is spelled wrong in the last
12 deposition, too.

13 Q I had some specific questions and we will move
14 through this quickly. I know you have been asked about these
15 matters. What I wanted to specifically ask you -- let me ask
16 you this, let me ask you the general question, and you can
17 answer it and then I will ask you the specific question.

18 What did you inform Sciaroni of during the meeting?

19 A I really think the best thing to do is to paraphrase
20 what I said before.

21 Q Fine, if that is what you want to do.

22 A Which is very accurate, and I don't have -- that
23 particular meeting did not make the greatest impression on me.
24 I have rare contact with Bretton Sciaroni, and that is the
25 only time I can even recall that he came by and asked about

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1 activities of the members of the NSC staff. Normally, he
 2 spent his time looking at the intelligence community, but we
 3 did have a ^cgeneral discussion on whether or not the Boland
 4 Amendment and other restrictions would apply to members of
 5 the NSC staff.

6 I recall a discussion of that nature. I told them
 7 that that was coincidentally a point of interest to us at the
 8 the time, because we had received congressional inquiries.
 9 We discussed the fact that the Boland Amendment specifically
 10 addressed the CIA, Department of Defense, and other
 11 intelligence agencies, and I told him that we at NSC Staff had
 12 already determined that the NSC Staff was not an intelligence
 13 agency under that definition.

14 But the real message I left him with was that Mr.
 15 McFarlane had already represented to the members of Congress
 16 that whether or not we were subject to the Boland Amendment,
 17 we considered ourselves subject to it, or words to that
 18 effect. The reason being that Mr. McFarlane had already made
 19 the determination that we had not violated the Boland
 20 Amendment, so it was almost a moot argument to make.

21 Sciaroni never did tell me that he was planning to
 22 do a formal paper on the matter. I wasn't aware that he had
 23 been asked to do that by anybody, and I never did see the
 24 production of what he had done.

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25 I can ask you several specific questions,

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1 Commander. Did you tell Bretton Sciaroni that Colonel North
2 was simply providing moral encouragement and working towards
3 a political solution with the contras?

4 A I don't recall that specific phrase. I would have
5 perhaps shared with him, if in fact he came after I talked
6 to North, I would have shared with him the fruits of my
7 conversation with North, that North was maintaining
8 intelligence and informational contact of a diplomatic nature
9 with the contras, but that from my conversations, I had come
10 away with the impression that he was not providing tactical
11 military advice or soliciting.

12 Q Let me ask you this question. Did you tell him that
13 North's knowledge of military activity within Nicaragua was
14 solely attributed to reports received by the NSC from the
15 CIA?

16 A Once again, I don't recall providing him with that
17 precise statement. I could have, however, and I can see that
18 I would have based it, once again, on my impression that many
19 of North's inputs were based on either CIA or DOD or other
20 SOUTHCOM input that he was receiving, and I was aware that
21 he was receiving that.

22 Q But the question I have, you have stated it, but
23 solely attributable to reports that his knowledge of
24 military activity solely was attributable to reports from
25 the CIA. That he received --

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1 A I would be surprised if I used that precise a
2 term.

3 Q Was that your knowledge of North's activity at
4 the time?

5 A No.

6 Q That he was getting intelligence solely from the
7 --

8 A Not at all. North was a very active member of an
9 inter-agency group, restricted inter-agency group. He was
10 our representative on the Kissinger Committee. North had
11 these tentacles receiving information.

12 I would be surprised if it was limited to that.
13 precise a response to Sciaroni.

14 Q Did you know whether he received information from
15 traveling down to Central America and receiving reports
16 directly from the contras?

17 A I don't recall the specific process. I knew that
18 North had frequent meetings with the Contras. We had the
19 contra leaders right there in my office a few months before
20 that. That seems almost inconceivable that North would rely
21 solely on the CIA for his input.

22 Q Let me ask you this question. Did you hear any of
23 Colonel North's testimony before the committee?

24 A I heard some.

25 Q Does it surprise you now as to the extent of his

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1 activities with respect to supporting the contras? Were you
2 aware of the kinds of activities he was doing there?

3 A Not all. The private channel part was a surprise
4 to me. I was not aware of all of that.

5 Q How about the resupply operations?

6 A I include that in the private initiative. I am
7 not aware that was a government resupply, U.S. Government
8 resupply.

9 Q You weren't aware of that at the time is what you
10 are saying?

11 A Right.

12 Q You were at the NSC?

13 A I am not even aware now that it was. I guess I
14 would be surprised, but I still don't know whether North was
15 aware of it to the degree that he was a major participant or
16 whether he was receiving reports constantly from the contra
17 leaders in the private section. I didn't watch enough of the
18 testimony.

19 Q You didn't have any knowledge of those activities?

20 A None whatsoever, no. But I must say that I was
21 well aware, I had been to Central America with North, and
22 with McFarlane and with the Inter-Agency Group, and as I
23 had been many other places with many efficient staff members,
24 and it would not surprise me that North would be very well
25 connected and very capable in dealing with those things.

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1 (Off the record)

2 BY MR. VAN CLEVE:

3 Q Commander, I believe in an earlier deposition you
4 testified that you generally did attend the senior staff
5 meetings that were held either at 7 or 7:30 in the morning
6 with the National Security advisors?

7 A That is correct.

8 Q And I take it that would have been true under both
9 Mr. McFarlane and Admiral Poindexter, is that correct?

10 A That is correct.

11 Q Did you ever hear Mr. McFarlane give instructions
12 to the NSC staff that they were to not involved themselves
13 in soliciting funds for the contras?

14 A I can't say specifically that I did. I think a
15 number of people took notes during that time frame, and you
16 might possibly find other people on the staff that would have
17 heard him say that, but I personally can't say that I did.
18 You know, as I think I have said before, the passage of the
19 continuing resolution, which contained the Intelligence
20 Authorization bill, which in turn contained the Boland
21 restrictions, was not a surprise to anybody on the NSC staff.
22 We had spent the preceding several days and hours right up
23 until passage lobbying against that particular provision,
24 and so, as is always the case, when a major when a major
25 legislative initiative has finally reached a vote on the floor,

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1 the next morning at the staff meeting and for several days
2 thereafter, whether we won or lost it is a subject of a lot
3 of fallout discussion, and even if you are working Southeast
4 Asia, you know a lot more about the Boland Amendment than
5 you ever want to know about it, so I would be very surprised
6 -- in fact it is almost impossible -- for something like this
7 initiative in particular, because that was one of the
8 President's primary initiatives during that time frame, when
9 it failed in the fall of '84, for the next several days not
10 everyone exhausted it at those meetings, but they were well
11 aware that it had passed.

12 Q I understand that they were generally aware of the
13 provisions of the Boland Amendment, but I am asking this
14 question so you know, because Mr. McFarlane, and I am
15 paraphrasing slightly, testified before the committee that he
16 had repeatedly instructed the NSC Staff that they were not to
17 engage in, I think his words were soliciting, brokering
18 contributions to the contras, and I simply was asking whether
19 or not you personally ever heard him give those instructions
20 to anyone on the NSC staff?

21 A I cannot say with certainty no, but it would not
22 surprise me if he did.

23 He wrote also these couple of letters -- I think
24 at least two -- which were letters that the content of which
25 would have been familiar to a number of people.

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1 Q Did you ever get asked for legal advice by Mr.
2 McFarlane about this question of solicitation either of third
3 countries or private individuals?

end mhl 4 A No, I did not, no.
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1 Q Do you recall any discussion in the NSC senior
2 staff meetings of raising funds from third countries.

3 A No. Once again I have no specific recollection.

4 Q Similarly, are you aware of any memoranda or
5 guidance papers with respect to the Boland Amendment
6 that Mr. McFarlane or Admiral Poindexter may have issued
7 to the staff saying these things are permitted; these
8 things are not?

9 A No, I don't. That is the thing I was looking
10 for myself. In August when we received these letters,
11 because the amendment had already been in effect for
12 about 10 months or so, and we went back and looked in the
13 file of my predecessor, and in the file of the legislative
14 affairs folks, and we also looked in our general files
15 to find out whether there had been any writing on this
16 subject, and I think the fact that it was virtually --
17 it was fiscally impossible for the NSC with the -- fund
18 it had to violate the Boland Amendment.

19 I think a lot of people assumed that it was just
20 not doable.

21 Q I follow what you are saying.

22 A The real people I would suggest, though, can
23 answer this question are the legislative affairs people on
24 our staff.

25 Q I follow what you are saying. I believe we have

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1 in fact talked to them, but since you functioned as one
2 of the attorneys for the NSC at the time, I wanted to
3 make sure on this.

4 I have just a couple of additional questions.
5 I take it that you were describing Mr. McFarlane's thought
6 process in terms of his response to the queries of Congress,
7 and you said that the question of the applicability of the
8 Boland Amendment to the NSC became moot because Mr.
9 McFarlane determined there had not been any violation.

10 If I understand you correctly, what you are
11 basically saying is that he knew he could put that kind
12 of a statement in there at no cost to him.

13 In other words, he could avoid a potential contro-
14 versy with the people on Capital Hill, because he didn't
15 think his staff was doing anything that would have
16 violated the amendment in the first place.

17 A I think he generally concluded that when he
18 completed his investigation into the request. I think
19 his meeting with the members coupled with his letters, was
20 an accurate representation by him at that time. I
21 understand he said that on the record up here a couple of
22 times, in his analysis that no member of the NSC staff
23 violated the Boland Amendment.

24 Have you read the letter he sent to Congressman
25 Barnes?

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1 Q I have read it in considerably more detail and
2 considerably more times than I would care to tell you
3 about, but let me try and make the question more precise,
4 because I know you like precise questions. There are
5 two ways you can deal with the question of whether or not
6 the Boland Amendment applies to the NSC staff generally,
7 and to Colonel North in particular.

8 One way is to deal with the factual question,
9 what activities are being engaged in, and then deal with
10 the question of whether those activities are occurring,
11 and the Boland Amendment does apply to the NSC staff,
12 there is a Boland Amendment violation.

13 That would be one way of dealing with the
14 problem. The other way is to deal up front with the
15 basic legal question of the applicability of the Boland
16 Amendment to the NSC. What I am suggesting to you is that
17 it appears that Mr. McFarlane chose the politically easier
18 of those two paths in dealing with the problem.

19 If he chose -- I am asking for your opinion of
20 this thought process -- if he had chosen to have taken the
21 legal position and so notified the Congress that is the
22 position of the White House that NSC is not in fact covered
23 by the Boland Amendment, that would have been politically
24 controversial, correct?

25 A True.

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1 Q And he knew that, correct?

2 A Yes.

3 Q And you talked about that with him, didn't you?

4 A Yes.

5 Q And by the same token taking the position with the
6 committees of the Congress that nothing actually was occurring,
7 which would have violated the Boland Amendment, even if
8 it applied to the NSC, was in fact far less controversial,
9 wasn't it?

10 A Certainly.

11 Q So you never really had to confront the question,
12 the hard political question, at the time, did you?

13 A That's correct, yes.

14 Q I just want to make sure we get on the record
15 his thought process. He never had to cross that bridge
16 in any meaningful way, because he came to the factual
17 conclusion that North's activities themselves did not
18 violate the Boland Amendment.

19 A That's correct, and that is why we do not have
20 a number of elaborate memos to that effect in our legal
21 files, because we were never asked to advocate one way or
22 the other. I think I could have advocated both sides of
23 that issue quite effectively had I been asked to do so.

24 But I was surprised that he then in recent
25 time has now taken on this spiritual -- this approach of

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1 being spiritually subject to Boland, because even that
2 based on his understanding of the facts is a gratuitous act,
3 and unnecessary, if he maintains that there was no
4 violation of the Boland amendment, either then or now.

5 Q And in fact at the time in September of 1985, when
6 these events were occurring, the process of thought that
7 you just described was well known to both of you, wasn't
8 it?

9 A Yes.

10 Q The fact is you simply didn't have to confront
11 that question at that time.

12 A It did not appear to be relevant.

13 Q He in effect volunteered the position that the
14 NSC would act as if it were covered. That was a purely
15 discretionary decision on his part, which we would say
16 was dicta for a legal opinion.

17 A I think that is reasonable to conclude that is
18 what was in his mind at that time. I think he solved --
19 he correctly solved a political problem with a political
20 answer, and I think you have to read the letters very
21 carefully to challenge him on it.

22 Are we done talking about Boland, because I
23 would like to say one thing about the withholding of
24 documents.

25 MR. VAN CLEVE: I have no further questions.

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EXAMINATION ON BEHALF OF HOUSE SELECT COMMITTEE

BY MR. BALLEEN:

Q Go ahead.

A My only remarks are once again to the fact that a lot of criticism has been directed against McFarlane, Poindexter and me for withholding these particular documents from Congress, and it is important to point out the context in which we deal with all document requests at the NSC staff.

As an agency counsel, when a request comes in either from the private sector or from a member of Congress for documents, we subject that request to certain standards, and we just don't hand out documents, especially when they are presidential records as opposed to NSC staff records, and in this particular case we went through that same process very carefully.

We involved all the right people in it, and when it came time to actually make the documents available, we involved White House counsel, Fred Fielding, was brought in. He was shown the Presidential documents, and we made steps and plans, as I said earlier, to provide them to Congressman Barnes.

The House Intelligence Committee and Congressman Hamilton were the other major requesters. They appeared to have been satisfied by Mr. McFarlane's meeting with

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1 them and by the letters they have received. Had they
2 wanted documents, they likewise would have received
3 access to documents.

4 At that particular time frame in August and
5 September of 1985, I was on a first name basis with virtually
6 every single member of the House Intelligence Committee
7 staff, and had they wanted to come down and review or
8 had they wanted to have us present to them the documents,
9 that would have happened.

10 I think a very good faith attempt was made by
11 Mr. McFarlane with Congressman Barnes to present those
12 documents to him.

13 The only reason it didn't occur is because of
14 a difference of opinion as to access, but Congressman
15 Barnes showed up, the documents are were in fact on a table
16 in Mr. McFarlane's office, and only because at the last
17 minute the two of them couldn't agree as to the extent
18 of the review did the actual presentation not occur,
19 but we did not withhold documents from Congress during
20 that time period.

21 MR. VAN CLEVE: Could I ask a couple of questions
22 about that?

23 THE WITNESS: Sure.

24 BY MR. VAN CLEVE:

25 Q Is it your recollection that all 22 of the

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1 documents that have been found in the computer search
2 that had been made by Brenda Reger were in fact on the
3 table available to Congressman Barnes when he showed up in
4 August.

5 A No, I can't swear to that.

6 Q Can you tell us that no one had in fact removed part
7 of the documents?

8 A Once again I can't tell you that. I can tell you
9 the only people that would have access to those documents
10 would have been the medical personnel in the front office,
11 and I am reasonably confident that Mr. McFarlane-- because
12 he had asked me some many questions about the documents,
13 and I had told him he had no choice but to retain them,
14 had reached the conclusion that he would in fact show
15 them to Congressman Barnes and explain them to him as he
16 showed them to him.

17 That is why he wanted to accomplish this access
18 question the way he did. In fact somewhere in your files
19 you have a memo to me from McFarlane around that time
20 period because I saw it on TV reminding him once again of
21 the ruling on the Boland Amendment and advising that it
22 was not subject to disposition. I think that document was
23 brought up in the early part of the hearings. That
24 document accompanied the files the day that Barnes arrived.
25 My only reason in pointing this out, and I appreciate your

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1 allowing me to explain this, but from an agency point of
2 view, we do not withhold records from Congress. We treated
3 this request the same as all others, and the general rule
4 is that Congress gets what Congress wants, and in this
5 particular case the recognized oversight leadership did
6 not choose to push this issue or they would have received
7 those documents.

8 (Discussion held off the record.)

9 BY MR. BALLEEN: Back on the record. Let me
10 just state for the record that we have provided to
11 Commander Thompson a copy of Admiral Poindexter's log
12 for the period of November 17, 1986, through November 24,
13 1986. He has that before him now.

14 BY MR. BALLEEN:

15 Q Did you ever see a finding signed by the President
16 on December 5th, 1985, covering the November 1985 shipment
17 of arms to Iran ratifying prior actions, in the last
18 paragraph?

19 A By see -- I understand, once again, from
20 watching television that a document, a finding fitting
21 that description was in my possession for a limited period
22 of time at some point during the time frame of November 20
23 to the 24th, and that I would have seen it. However, I did
24 not read it and I was not familiar with its contents.

25 Q You never read the document?

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1 A No.

2 Q When did you receive it?

3 A Well, that is what I have been trying to ascertain
4 myself. The best I can piece together the events during
5 that time period leads me to conclude that I saw that
6 document, that I had that document in my temporary
7 possession in the afternoon of November 21st, which is
8 a Friday.

9 Q How did you receive it to have it temporarily
10 in your possession at that time?

11 A It would have been one of a number of working
12 papers in an accordion file that was given to me by
13 Admiral Poindexter early afternoon on the 21st.

14 Q Did you retain in your office prior to the
15 21st of November any of the findings on the Iran
16 initiative?

17 A Yes, I had my own accordion working file on Iran,
18 and in there I had a couple of legal memos, one being
19 the justification for covert action being used to
20 circumvent the arms export control laws. I had, I believe,
21 some papers dealing with the arms embargos in effect, and
22 I had a copy at various times of the original January 17
23 finding with cover memo.

24 Sometimes I would have it in my accordion
25 file. Other times the Admiral would have it in his desk.

Q Let me ask you this question on the December 5th,

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1 1985 finding. Did Admiral Poindexter ever give to you in
2 a sealed envelope to put in your safe at any time after
3 December 5th, 1985, and prior to November 21, 1986?

4 A No.

5 Q You say you had the January 17 finding in your
6 office?

7 A I had that in there at various times during the
8 course of the year.

9 Q Do you know whether or not these findings were
10 looking into the system?

11 A No. I am reasonably certain they were not.

12 Q Why is that?

13 A Well, they never really came into the NSC.
14 They certainly weren't treated in the normal fashion that
15 other findings are. This is the only finding, the
16 January 17 finding is the only one I am aware of that
17 was processed in a different manner within the intelligence
18 community.

19 All other findings, as I am sure you aware,
20 according to NSG 159, are dealt with through a different
21 process. This one was dealt with at the senior most levels.
22 It was apparently drafted at the CIA. I believe a cover
23 memo was done by Colonel North. I may have been mistaken.
24 It may have been in the system. I just don't know. I
25 never really scrutinized it, but my guess is that it was

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1 not. Had it been in the system, it would have flagged
2 the fact that it referred to a finding. That finding was
3 dealt with in a different manner and it won't make sense
4 to put the memo into the system.

5 Q Let me go back to the 21st. What were the
6 circumstances that Admiral Poindexter gave the document
7 to you?

8 A Well, once again, the best I can fit together
9 those series of events would be he had, by the early
10 afternoon of the 21st, had met with the Attorney General
11 and the President, and had been apprised by the Attorney
12 General that certain members of his team, his front office,
13 were going to come over and have access to NSC files
14 dealing primarily with the Iran issue, but specifically
15 with the present January 17 finding time period, which is
16 an area of concern and fuzziness to all of us.

17 Q Did he ask you to pull together documents on the
18 Iran initiative, Admiral Poindexter?

19 A Yes, he did. I met with him in his office for
20 about 30 seconds, and he told me that Meese was going to
21 send people over, to be cooperative, and at that time
22 he handed me this accordion file that I referred to earlier,
23 with his working papers, and said basically, "Here is what
24 I have got. Let them see what you have, and assist them
25 in whatever else they want to do in the staff."

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1 Q Did you go through the accordion file he gave you?

2 A Not at that time, no. I took it and put it in
3 my safe next to my accordion file. The plan was I would
4 either look at it later or make it available to the
5 Justice folks whenever they came over.

6 Q Did he specifically ask you to check all of your
7 documents to make them available?

8 A He may have. If he did, I didn't focus on that
9 because mine were always together anyway.

10 Q Did you take any steps in terms of pulling
11 documents from the system to get them together?

12 A No, not at that point, no.

13 Q After you received those documents from Admiral
14 Poindexter and his accordion file, what did you do?
15 When was the next time you looked at them? What did you
16 do with them?

17 A Within the next hour or two, that is why I was
18 looking on the schedules, to find out when there wasn't
19 another meeting involving the internal NSC staff.

20 Q You may want to refer to your own recollection.
21 These documents are not infallible.

22 A That is what I am relying on, and I am trying
23 to repeat verbatim the conversation I had with Mark Belnick
24 about a month ago on this very subject, which unfortunately
25 was not recorded, and at that point I didn't know the

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1 document that had been ripped.

2 The document had been ripped up by the Admiral.

3 I have since learned that, but the best I can piece this
4 together is I had the intention of making the Admiral's
5 accordion file and mine available to the Justice
6 Department attorneys, and at that point the Admiral had
7 surrendered his custody over to me.

8 Later that afternoon there was another
9 schedule session, another meeting taking place in the
10 Admiral's office, which was not a very formal meeting.
11 It was probably attended by North, most likely by Keel
12 and probably by McDaniel, but I am not positive.

13 I can't seem to document it, which is of great
14 surprise to me because we almost always document these
15 things. He can recall the Admiral sitting in the normal
16 chair he sits in in his office, and someone sitting
17 opposite him in the other arm chair, and a couple of other
18 staff officers had pulled chairs up around the coffee
19 table, and I joined the meeting, I believe, after it was
20 already underway, as I often did, just to get the tenor,
21 to see what was going on, and I would often leave.

22 My role was to pretty much keep a pulse on what
23 was going on in the front office. And I believe this
24 occurred within an hour or two after he had given me
25 those documents. Right during the conversation while I

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1 was there, the Admiral kept saying, "There is yet another
2 document." Or, "There is some memo that we still haven't
3 come up with that I know has to be somewhere."

4 When I heard him say those words, I thought
5 to myself, perhaps it is among the working papers that he
6 gave me earlier, and since I had not looked at them,
7 perhaps it would be helpful one more time for him to look
8 at them. So I got back up, went out and came back in
9 carrying his accordion file along with mine. I knew ~~the~~ what
10 was in mine, and I only brought it in for additional
11 reference.

12 Q You knew what was in yours?

13 A I knew the contents of mine.

14 Q Go ahead.

15 A And the conversation continued. I came back in.
16 The conversation continued on a subject I can't recall,
17 but I assume it had to do with general posturing and
18 strategy in dealing with the congressional requests and
19 press requests and so forth. We had just finished briefing
20 both the House and Senate committees, and I suspect we
21 were trying to have a discussion as to where we stood on
22 the issue. At any rate, as the conversation was continuing,
23 I would open the file and quickly take out documents,
24 look at them to see their general subject matter, and I
25 would hand them to him.

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end Cantor.

1 He was sitting off to my left, and he would just
2 kind of look at them and drop them or leave them on his
3 lap. One document we came to he ripped up, not as a
4 major action, but merely as he came to it. He ripped it
5 up saying, "This is no longer necessary." Or, "This has
6 no future." That document turns out to have been the
7 finding of the fall of 1985.

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A Because I heard him say it on television.

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Q You didn't say to him at that time Admiral,

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this is something you ought to consider. This is a little' bit embarrassing. Look at this document.

4

5

A No. I have heard people attribute those remarks to me.

6

7

Q In fact Admiral Poindexter testified to that.

8

A He said something to the effect I said they would

9

have a field day with that information. I think I said

10

that comment, if at all, when he initially gave me the

11

accordion folder. It was kind of like what is this.

12

Where have you had this, Admiral. Here we have been

13

desperately looking for documents for the last several

14

weeks. And he kind of winked and said well, these are

15

just things I have had elsewhere, home or in my briefcase or

16

something. We were basically managing the case at that

17

time and the paperwork and suddenly he produces an accordion

18

file with papers in it on the 21st of November. I think

19

I said, "They'll have fun with this," meaning Meese's

20

people, or, "They will be pleased there's some additional

21

paperwork in this case."

22

Q You did not have this finding, in other words,

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in your safe in a sealed envelope?

24

A Absolutely not. No. It would have been

25

contained within that file that he gave me.

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38

m2 1 Q So if he had told you it occurred that way, that's
2 mistaken in your view?

3 A Yes. My recollection is that it was contained,
4 in that accordion file, that he had only given it to me
5 shortly before but he basically surrendered it to me without
6 any hope of reclaiming it. Had I, at that time, walked out
7 the door and given it to Meese, then today you would have
8 the original finding.

9 Q Did you see that it was a signed finding when
10 you gave it over to him or not?

11 A I really can't, nine months later, say what I
12 saw and didn't. I was thumbing through things and handing
13 them to him. That was a typical skull session. The
14 conversation by that time had moved on to other things.

15 The one point that I do recall that I was dis-
16 appointed was that it was not responsive to what he had
17 been looking for.

18 Q What did he do with it when he ripped it up?

19 A Just kept it.

20 Q You don't remember him putting it in a burn bag
21 or anything like that?

22 A No. He doesn't have a burn bag in his office.
23 He would have either put it in his outbox, in which case
24 the secretary who picks it up would know enough to know
25 it was for a burn bag. He was up and pacing back and forth

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1 during that period, too. He had his coat of at that time.
2 I think he kept it. He crumpled it up and kept it.

3 Q You don't know for a fact having seen the document
4 it was this fall, 1985 finding?

5 A No. I don't know for a fact.

6 Q You are just piecing together. You saw him rip
7 up something you had handed him out of this file you had
8 given to you and you are making an assumption, I take it,
9 that this was the finding that he referred to in his
10 televised testimony.

11 A Uh, huh. I had heard references to the fact that
12 I was present in a room when a document was ripped up. I
13 tried to ^{piece} ~~piece~~ that together for Belnick last month. When
14 I then heard the Admiral lead off by saying yes, sir, it
15 was a finding, then obviously we are talking about the same
16 piece of paper. We just don't recall precisely the way it
17 worked.

18 Q All right. This is a piece of paper that you saw
19 him tear up.

20 A Yes.

21 Q It is not necessarily -- you didn't read it
22 before you gave it to him?

23 A That's correct.

24 Q You have no independent recollection of what the
25 document was. Is that fair to say?

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A Uh, huh.

Q Colonel North was present in the room.

A I can't swear he was. I assume he was. He was present in most of those meetings.

MR. VAN CLEVE: Is there a record on the Admiral's calendar to that effect?

THE WITNESS: No. There were meetings that day with Ken DeGraffenreid late that afternoon and Ollie North at 2:25. So it could have occurred during the Ollie North meeting at 2:25, which would have been an hour or so after he gave the documents to me.

BY MR. BALLENG:

Q By that time you already knew the Attorney General was coming by to conduct an investigation?

A Yes.

Q Is that correct? Did you talk to North about that or was that something you both talked about in that meeting in the afternoon in Admiral Poindexter's office?

A No. I didn't talk to North at all. I didn't really -- my concern was working with the Justice Department. When Cooper called me, I tried to call North. He wasn't in. I think I talked to Earl or to Coy.

Q But Admiral Poindexter told you when he gave you that original set of finding what the Attorney General intended to do; in other words come over?

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1 A Oh, yes, sir. He gave those things to me with the
2 intent of showing them to the Attorney General. Had it not
3 been for this coincidental meeting I attended, I would have
4 given those to the Attorney General.

5 Q Now, did Colonel North indicate to Admiral
6 Poindexter during this meeting, if you recall, anything
7 about notebooks he had kept, spiral notebooks?

8 A No.

9 Q Let me show you -- you have that what's premarked
10 Exhibit 1 in front of you.

11 A Right.

12 Q Do you recall that document?

13 A I sure do.

14 Q Could you explain it to us? Is it addressed to
15 you on the cover?

16 A It's a handwritten note to me.

17 Q From whom?

18 A From Admiral Poindexter which says put this with
19 the finding and is dated March 12, 1986.

20 Q Does this refer to the January 17th finding?

21 A Sure. Yes.

22 Q What is this document, briefly?

23 A This is a memorandum. The underlying
24 memorandum is from the Assistant Director or Director of the
25 Army Staff and it is to the Secretary of Defense advising

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1 the Secretary that the Army has responded to a tasking to
2 provide TOW missiles to the CIA, which was responsive
3 to the purchase request that the CIA had drawn up under the
4 authority of the finding of January 17th. The cover memo
5 on that from Powell to Poindexter is -- Powell wrote this
6 on behalf of the Secretary. His role is the senior
7 military assistant to the Secretary -- forwards the memo
8 and advises Poindexter that the Army has been told that
9 they do not need to make the normal notifications they
10 would make, because the matter in this case is being dealt
11 with in a different manner.

12 When this came in to the Admiral he wrote a cover
13 note to me saying put this with the finding, and I would
14 have taken it and put it with the January 17th finding.
15 So that should have been contained unless there.

16 Q Was that the only finding that you had?

17 A Yes. That's the only finding I ever had.

18 Q Just to make it clear.

19 A Yes.

20 Q All right. After you had these meetings on
21 Friday the 21st as you described, did you take any steps
22 in terms of computer retrieval to collect additional
23 documents for Department of Justice officials?

24 A No. In fact, I've been asked several questions
25 about that and I just can't recall asking for a systems

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1 search, which would have been the most thorough way to
2 do this. But this was, of course, a rather limited search
3 they were going to do. They were looking for a time
4 period basically of pre-January 17th going back to
5 approximately the summer of '85. So it was about a four
6 or five month time period they were going to look for and
7 we were aware the only staff officers that were involved
8 with this initiative were North and possibly Teicher. So
9 it was conceivable that they could go directly to North
10 files and get copies of everything that they wanted. So
11 as of the 21st of November, I do not recall -- you could
12 ask Brenda Reger -- but I do not recall initiating a
13 systems search.

14 Q You didn't speak to North about initiating a
15 systems search?

16 A No. North would have nothing to do with the
17 systems search. He is not involved in a systems search.
18 They are done by our custodian of official records. That's
19 what I mean by a formal systems search.

20 All that North has access to are files contained
21 in his own office, although there should be copies.

22 Q Did you talk to North at all during the 21st
23 other than this meeting?

24 A No.

25 Q Now, you met I believe you testified previously,

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1 with the Department of Justice officials on the morning
2 of November 22nd.

3 A Correct.

4 Q And just to run through that briefly, who did you
5 meet with?

6 A I received a phone call around 10:30 from my
7 counterpart over there, Chuck Cooper. He told me that
8 Brad Reynolds and John Richardson were on their way, could
9 I get them parking and could I get them into the building.
10 I said of course. A half hour later he showed up. I met
11 them downstairs in the West Wing and escorted them over to
12 the Old Executive Office Building on the third floor.

13 Q Where you met with Earl, I think that was your
14 testimony?

15 A Yes. When I first received a call from Cooper
16 I immediately called over to North's suite to make sure
17 somebody was there and there was no answer. Which was
18 annoying to me because I had promised we would have the
19 ^gsuite open. I tried to track Earl down and he subsequently
20 showed up around 10:30 Saturday morning. When we arrived
21 over there the office was open and Earl was there.

22 Q Was there any documents laid out for the review?

23 A I don't think he started to yet. On the way
24 over I told him there were lots of things to look at and
25 that the best thing to do was just start with what we

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m9 1 call the chronos -- chronology and work their way through and I
2 think that's what Earl laid out for them.

3 Q Let me direct your attention to Tuesday, November
4 25. That was the date of the Attorney General's news
5 conference.

6 A Okay.

7 Q Did you meet with John Richardson of the Department
8 of Justice during the morning of that day?

9 A Yes.

10 Q How was that meeting set up?

11 A Well --

12 Q How did it come about?

13 A Well, it came about as a result of a conversation
14 I had with the Attorney General. The Attorney General
15 arrived about 8:15 or so with Cooper and Richardson and I
16 met him in the hallway and he asked me to do a search one
17 more time of the Presidential records to ascertain that
18 the President had not seen or signed any memorandum dealing
19 with Iran during the time period of 1 April to the end of
20 May, '86.

21 Q The Attorney General asked you this?

22 A He asked me that personally. Cooper then said to
23 me -- I said I would do that immediately and I in fact
24 called once again the only person that does searches,
25 Brenda Reger, and asked her to do that, which she

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1 immediately started doing.

2 Q How did you phrase your request to her?

3 A Very simple, just to feed it into the computer
4 for her search, the words "Presidential action", "Iran",
5 "official document". She came up with a number of hits
6 after she did the search. Cooper I believe then planned to
7 go upstairs and talk to Wallison and he asked me if it
8 would be all right if Richardson came down to my office and
9 looked through my files one more time, and I said of
10 course. Then Richardson then came down to my office and I
11 got out my same accordion folder and, which I believe at
12 this time had been added -- it was a little thicker than
13 before. I think I had added -- I don't know if I had
14 added the Poindexter papers or not. I can't recall whether
15 I had two or one files at that point, but at any rate, I
16 let him look through my files. I also at that point added
17 the memorandum of early April from North to Poindexter,
18 which is the memo that was found by Meese or by Reynolds'
19 people when they were over there on Saturday.

20 So that was also in my files at that point. That
21 had not been in there previously.

22 Q Did Richardson ask you at that time to make sure
23 this particular memo mentioning the diversion had not
24 reached the President?

25 A Well, that was the purpose for the search that

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ml1 1 Meese asked me to do.

2 Q This memo or anyone like it?

3 A Yes. This memo was dated April 3rd or April 8th
4 or something so that's why Meese picked the beginning of
5 April to the end of May.

6 Q You understood his request that's why he was
7 asking?

8 A No, but I have subsequently figured that out.
9 I myself had not really looked at that memo that was in
10 there. Keel and Poindexter had been reading that over
11 breakfast. Poindexter came back from a meeting with Meese,
12 was having breakfast. I went in and sat down while he
13 was eating breakfast and he told me he was going to leave
14 that day. Keel showed up a little bit later and learned the
15 same thing, said why. At that point the two of them were
16 looking at the document, which is the April 8th document,
17 I believe.

18 I then took that and threw it in my safe along
19 with the other documents I already had in there. But
20 Richardson really, I don't think he and I discussed it very
21 much.

22 Q Let me ask you, say there were a couple of hits
23 on Brenda Reger's search. What were the hits?

24 A I think they were NSC or NSPG meetings.

25 Q On her search this particular document did not

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ml2 1 show up?

2 A That's correct.

3 Q As being logged in the system.

4 A Right.

5 Q So this particular document that you now have,
6 this April 8 document, was not logged in the system? It
7 didn't come up on the computer?8 A Apparently not. I don't know the answer to
9 that. We could have to go back and get her profile
10 sheet. I don't know whether that document was in the
11 system or not. I can't recall.12 Q But you said there were a couple of hits and
13 this document was not among the hits.14 A I don't believe it was. The whole purpose of that
15 search though was to make sure the President had not seen
16 or signed any documents during that time period.17 Q Your recollection is that document was not in
18 the system?

19 A That's my recollection.

20 Q Let me just ask you something about that. That
21 would have been a System 4 document?22 A No. Well, if it were -- I guess, yes. I would
23 say it would have to be because it pertained to a finding,
24 to a covert action and covert actions are dealt with in
25 System 4 so it should have been in System 4.**UNCLASSIFIED**

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1 Q How were they normally logged?

2 A What do you mean by "they"?

3 Q System 4 documents.

4 A They are logged by the custodian of System 4,
5 either Radzimski or Merchant. They have their own separate
6 systems of numbers they assigned people and if someone
7 outside of the Intelligence Directorate, which is unusual
8 but it does occur, if someone outside of that wants to use
9 System 4 they call up that and get a number and log it in.
10 They then give the original to the custodian of System 4
11 who then treats it as he would any other document he
12 receives, prepares it, hand carries it across the street.

13 Q Were the logs on this particular -- were the
14 System 4 logs checked for this particular time?

15 A Yes, I believe Brenda checked those. There's
16 yet another whole set of files which are relevant which
17 are the White House archives. So Brenda -- she knows she
18 only has access and control over NSC agency documents but
19 whenever she does a search, as she did in the case of the
20 1985 congressional request for the North activities, she
21 asked Radzimski or the custodian of System 4 to search
22 those files and she asked the White House archivist or the
23 White House central files custodian to search White House
24 files. This particular search took several hours that
25 morning. That's one reason why this was delayed; as late --

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1 the Meese press conference was delayed. Because we
2 wanted to make sure by checking all three systems that
3 there were no Presidential records.

4 Q So this document wasn't found on the logs. Is
5 that correct, when she did the check?

6 A I believe that's correct.

7 Q Once a document is logged in can it be removed
8 from the logs?

9 A Well, then we get back to the discussion that I
10 had with Mr. McFarlane in August of 1985. You would have
11 to make a determination as to whether or not the document
12 has achieved some status of permanency.

13 Q I guess I'm asking a different question.

14 MR. VAN CLEVE: If you wouldn't mind just for
15 clarification --

16 MR. BALLEEN: Sure.

17 MR. VAN CLEVE: When you say the word "log",
18 I'm not sure it will be clear to Commander Thompson exactly
19 what it is you are referring to, so maybe you want to try
20 and make your terminology a little more precise. The log,
21 if I use that word, what I'm going to be referring to is
22 the typed or handwritten log kept by the System 4
23 custodian. Jim Radzinski in the case of this particular
24 time period up to October 25, 1986. I think Mr. Ballen may
25 have been referring to either the profile that's found on

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m15 1 the computer system itself, either on the system or a hard
2 copy of that?

3 MR. BALLEEN: Let's make it explicit. I will
4 refer to both.

5 MR. VAN CLEVE: Just so we are clear because
6 really the log itself is a wholly separate document that
7 might not have been reviewed in the course of a computer
8 search.

9 MR. BALLEEN: That's what I was asking him.

10 THE WITNESS: Perhaps it's easiest if we use
11 our definitions. We are the ones that did the review.

12 MR. BALLEEN: Use your definition.

13 MR. VAN CLEVE: Tell us what you mean.

14 THE WITNESS: The phrase "logged in" means any
15 document has been put into one of the NSC systems and it
16 has either a System 1, System 2 or System 4 number.

17 MR. BALLEEN: That's what I thought you were
18 saying and that's what I had understood by my questions.

19 THE WITNESS: Right. You asked me was this
20 document from April logged in, was it in one of the
21 systems, we determined it should have been in System 4 if
22 any system and you can look up in the right-hand corner,
23 I don't know the answer. Once you do a search, once an
24 item has been logged in, it's in the computer. Not only
25 is the log number put in there but also relevant key words

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m16 1 are plugged in. So when you do a search it's very easy
2 to have them jump back out at you. However, even if an item
3 is logged in, can it still be taken out of the system, I,
4 would say very likely it could be. It depends how far
5 along the document has progressed and whether or not it's
6 been negotiated.

7 BY MR. BALLEEN:

8 Q But I had understood the same thing you had
9 understood by the question. When I was asking whether that
10 document was logged in, I was asking whether it was put
11 into the computer system. That was my question.

12 MR. VAN CLEVE: By the same token, when Mr. Ballen
13 asked you if the document could be taken out I don't think
14 he was asking for a legal judgment.

15 THE WITNESS: I was giving a legal judgment.

16 MR. BALLEEN: Can it be taken out of the system.

17 MR. VAN CLEVE: As a technical matter can it be
18 taken out of the system.

19 THE WITNESS: What happens at that point to the
20 record copy? You see, you are asking can you delete
21 a button on the computer and the document still exist but
22 it's not reflected in the computer?

23 MR. BALLEEN: Correct.

24 THE WITNESS: I suppose that's conceivable. That
25 would certainly go against the regulations and the way we
do business but --

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ml7 1 MR. BALLEEN: Let me ask you a specific question
2 which I know.

3 THE WITNESS: If you are wondering do we do
4 manual searches, no, we do not. We only do computer
5 searches.

6 MR. BALLEEN: Let me ask you a specific question.

7 I think your answer is no, but I just want to
8 cover the record. Did Richardson ever specifically tell you
9 to make sure that no memos mentioning the diversion of
10 Iran arms sales proceeds to the contras reached the
11 President?

12 THE WITNESS: Did he tell me to make sure they
13 did not?

14 BY MR. BALLEEN:

15 Q Yes.

16 A From thence forward?

17 Q No. To check in this context of what you have
18 been talking about with the Attorney General's comments to
19 you about checking the system.

20 A Did Richardson's request expand to include the
21 whole time period?

22 Q Yes, specifically talking about the diversion of
23 Iran funds.

24 A No. I don't think so. I don't believe he did.
25 That would have been a much more extensive search. I think

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m18 1 we did one later on though.

2 Q When was that?

3 A I don't know. Once again, the sole authority
4 for all this is Brenda Reger but we probably did one later
5 on from 1 January '86 forward, and then we did yet another
6 massive one to include the entire Administration, depending
7 on the evolution of the investigation.

8 Q Was there anything in either what Mr. Richardson
9 told you or the Attorney General, was the request phrased
10 in such a way to determine whether the document reached the
11 President, was ever sent to the President, he ever signed
12 it? How was it phrased? Do you understand my question?

13 A Yes. That's why I tried to use the words "seen"
14 or "signed" several times because I thought that encompassed
15 the fact that memo in any form did not get in the vicinity
16 of the President.

17 Q Did you report to the Attorney General on the
18 search?

19 A Oh, yes. He and his troops camped out down
20 at the other end of the West Wing. My office is located
21 at one end of the hall and the Chief of Staff's is at the
22 other end, and they were impatient for us to come up with
23 an answer but we obviously wanted to do a thorough search,
24 and it took several hours. I don't think it was before
25 11 or 11:30 before we had an answer for them.

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Q And what did you tell them at that time?

A We told them we found no record of any Presidential signature or Presidential review of any documents dealing with that issue during that time period.

Q Who was your executive secretary at the time?

A A gentleman named Rodney McDaniel.

Q And this search as you described it, it would include both, I believe you said this before, but the Presidential archives as well as System 4 --

A White House records, NSC records and System 4 records.

Q Back to what Mr. Van Cleve was asking a little bit about earlier, talking about physically logging in documents, was any kind of check done of that or the check was simply a computer check?

Q Computer check. We would have thousands of documents and it would be less efficient and less accurate to try to do a manual check.

Q Let me just ask a general question which I think you have been asked before. Did you ever see any document during your tenure at the NSC concerning any kind of diversion of Iran arms sales proceeds to benefit the contras?

A No, absolutely not.

Q The first time you saw anything like that was

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m20 1 this April memorandum?

2 A Which you know I saw on the morning of
3 November 25th.

4 Q And other than the findings that you have
5 described to us, did you see any other documents on the
6 Iran initiative?

7 A No. No, I did not.

8 Q Did you want to take a brief break? I just
9 have a couple more things I wanted to look at.

10 A No.

11 MR. BALLEEN: Jack, did you have any questions
12 you wanted to ask?

13 MR. TAYLOR: I have a few.

14 BY MR. TAYLOR:

15 Q In the deposition of another member of the NSC
16 there was a discussion by Mr. Earl, Colonel Earl, of who
17 was so-called in the box or in the compartment when it came
18 to the Iran initiative at the NSC. He described Admiral
19 Poindexter, of course, Art Tiecher, himself, Colonel Earl
20 and he added that you were also in the compartment.

21 A Cleared for [REDACTED]

22 Q Yes.

23 A I don't believe I was ever officially cleared but
24 I certainly had access to information contained within the
25 [REDACTED] clearance.

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m21 1 Q That gave you access to meetings in which the
2 Iran initiative was discussed post-January 17, 1986?

3 A Yes. Inevitably not so much for substance but .
4 to assist in the procedure, I was generally aware of
5 the details involved in the [REDACTED] program, although I don't
6 think I was ever officially cleared into it.

7 Q Did you then handle documents or have access to
8 documents as a result of that related to the [REDACTED] program?

9 A Well, I had access to virtually all sorts of highly
10 compartmented documents, just as the other personnel
11 in the front office did, the secretaries, et cetera.
12 There were seven of us that worked in the front office of
13 the National Security Adviser and each of us had
14 constructive possession or access to all sorts of documents.
15 They flowed in and out like water on a given day.

16 Q I think there's an April 6th, by the way, memo.
17 That's also stuck in my mind the last couple^e of months.
18 Back to that particular document, when you saw it on the
19 25th of November for the first time --

20 A Yes.

21 Q It came from Admiral Poindexter's accordion
22 folder.

23 A I don't think it came from his accordion folder.
24 I put it in my accordion folder after he and I and Keel
25 had met during the breakfast.

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m22 1 Q When you did see that it did not have a cover
2 memo on it?

3 A No.

4 Q Do you recall -- so we are talking about the
5 same document, it mentioned the dates of November 14th
6 which was scratched out and had written 13 above that?

7 A Yes, I believe that was the one.

8 Q Was there any discussion about why that was
9 altered, the date?

10 A Certainly not at that point. This was the
11 morning of the 25th of November. Most people were in a
12 state of shock that the Admiral would be leaving. I don't
13 recall that date being discussed at all. In fact, it was
14 really a paragraph several pages into the memo that was
15 the only relevant aspect to Keel and to me.

16 Q Was there any discussion at all about why it
17 was incomplete?

18 A No.

19 Q It was just handed over to you as it was?

20 A Yes.

21 Q Back to one other area. On the 21st, I think
22 you mentioned earlier you notified Colonel North and
23 Colonel Earl to be available?

24 A Yes. I tried to call North and I can't remember
25 whether I got Earl or Coy on the phone.

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1 Q They were both to be available the following
2 day, which is a Saturday, the 22nd of November?

3 A Yes. I don't think I specifically asked either,
4 to be available. I just said we are going to need access
5 to the suite. Once again, I think six or seven people had
6 access to it.

7 Q The following day I understand both were
8 available?

9 A Yes, Earl showed up around 10:30 and North
10 showed up 12:30 or one I think.

11 Q There were two sessions I understand of interviews
12 by the Justice officials with Colonel North during that
13 day?

14 A I'm not aware of any interviews of North.

15 Q I'm sorry. There were meetings, a review of
16 documents and discussions of documents?

17 A In that suite, yes. In fact, I think those
18 guys took turns standing watch over there right until
19 late that evening. Jock Scharten eventually showed up.

20 Q Going back to this deposition, do you recall at
21 any time during this effort when documents were being
22 produced by North and by Earl for the Justice officials
23 on the 22nd, do you recall an occasion where you met
24 Colonel North in the hallway where he was carrying perhaps
25 a folder or a handful of documents?

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A Yes.

Q Did he make any particular comment to you about where he was going with those documents?

A No. I don't recall that part of it but this particular incident has also been raised with me before.

Q In deposition, by the way?

A No. I've been aware of that statement, shall we call it, by Mr. Earl and the gist of what he was inferring in there.

Q Just for the record, what do you recall?

A What I recall occurred was that as I was leaving Reynolds and Richardson in Room 302, they asked me if they could also do a quick search of the files on Iran from McFarlane and from Don Fortier, who had also been associated with this initiative. They have since departed. One is deceased. The other is no longer employed by the government. I said fine. I can once again have our Director of Information Policy, Brenda Reger, recall those retired files from the vault and be glad to make them available to them.

I then left those gentlemen in that suite of offices and I returned to the West Wing. I think I probably called Brenda on the phone and said, "Please search McFarlane and Fortier's boxes." Fortunately they were still stored locally, had not yet been shipped out

where they are normally retired, and she

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m25 1 in the course of the next two hours, either she or her
2 assistant Donna Serco reviewed the folders, isolated the
3 ones on Iran. I think it came to three or four accordion
4 files, and called me saying we have got the ones you
5 might be interested in showing to the Justice Department.

6 I then crossed the street to the Old Executive
7 Office Building where I met with Brenda and Donna
8 Serco, saw that there were just three or four files. I left
9 with these two individuals some food which I had brought
10 from the White House mess since there's no place for them to
11 eat on Saturdays across the street and I was treating them
12 to lunch that day. I left with them their lunches. I
13 then took the accordion files and walked down the hall to
14 302 to where the Justice Department gentlemen were to find
15 out who their search was going. I was just checking in on
16 them and North had arrived in the meantime. He was in there
17 looking over some items on his desk and he said to me at
18 that point -- in front of him was this conference table
19 laden down with accordion files. He said to me, "They
20 said we don't have any paperwork on this. What do you call
21 this?" And I said, "Everyone knows you have got plenty of
22 paperwork here," or something like that.

23 He then was about to leave and I think he and I
24 did go out of his office to go. I still had under my arm
25 the three or four accordion files I had received from

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m26 1 Brenda Reger. He may or may not have been carrying
2 something. I really don't know. Since the Justice Depart-
3 ment lawyers were not there, it was just North and Earl in
4 the office at that point, I believe North and I walked
5 across the street together. But I'm not positive. I
6 frequently made the rounds on Saturday talking to staff and
7 so forth. I then returned with those accordion files to
8 my office where I later called up Reynolds or Richardson
9 and I said "I tried to bring this over to you and you
10 weren't there." They said "Was there anything in there?"
11 I said no, and I don't think they ever did see them.

12 I later returned them to Brenda Reger where they
13 were sent back to the valut where they are today, or were
14 the subject of yet another search.

15 Q You don't recall Colonel North's conversation when
16 you left his office though when you had the accordion
17 files under your arm? You don't recall a conversation
18 where he stated he was going over to the Sit Room.

19 A That's an abbreviation for Situation Room.

20 Q That makes more sense. He was going over to the
21 Sit Room and he sort of hefted the documents? You had
22 no inference at all of any destruction of documents?

23 A None whatsoever. Looking at the thing
24 retroactively through the eyes of Bob Earl I can see how
25 since he was aware apparently of shredding or of destruction

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1 of evidence or destruction of documents and he was talking
 2 to North about it, then I can see how suddenly I show up
 3 with documents under my arm and the two of us leave
 4 together, I can see how he might impute to me some sort of
 5 similar state of mind that North had. But I find that to
 6 be slanderous at best. Some day whenever I encounter
 7 Mr. Earl I intend to tell him what really happened.

8 MR. TAYLOR: I have no further questions.

9 MR. BALLEEN: I just have one question.

10 BY MR. BALLEEN:

11 Q Do you recall whether or not Admiral Poindexter
 12 ever spoke to you about Colonel North facing the threat
 13 from Abu Nidal and needing some security? This would be
 14 approximately in the spring of 19 --

15 A Yes. Once again that's come up during the
 16 hearings. There were a number of times when North was
 17 faced with threats going all the way back to '85 when he had
 18 acts of vandalism committed against his personal property.

19 Q He said it went back to 1985.

20 A Yes. Those are documented in the letter from
 21 McFarlane to the Intelligence Committee. I think North
 22 was concerned about being harassed back then for his
 23 status. I vaguely recall a discussion of concern by both
 24 North and I believe Fortier, Fortier primarily. He shared
 25 the office next to me and he was about to go to California

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m28 1 with the President and leave his wife and young child at
2 home and he was very annoyed that his name had appeared in
3 some periodical associated with the Achille Lauro attempt
4 and I believe it was in the same context. He wanted something
5 done and I'm aware in a more remote sense that North was
6 similarly concerned and wanted to have some sort of
7 action.

8 In North's case, I think the solution was, one
9 solution was for him to be transferred out of the area
10 and that was not to his liking. But I believe the Admiral
11 turned that over to our Executive Secretary who is
12 responsible for the health, welfare, et cetera of our people
13 to try to solve it.

14 Q For Don Fortier, were any attempts made to provide
15 him with security?

16 A No. It's very difficult to provide security to
17 most federal employees, unfortunately. If you have a
18 real life-threatening, you could probably do it but short
19 of that, if it's something remote as an article in a
20 newspaper, it's very difficult to do.

21 Q So no additional security was given to Fortier
22 at the time he went off to California?

23 A No. No. It was unfortunate that we did not have
24 that sort of resource, but we just don't.

25 Q Did you make any phone calls to attempt to

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m29 1 provide that or not?

2 A I believe we did call.

3 Q You say we?

4 A Well, me. I may be confusing this with Admiral
5 Poindexter because he similarly was a subject. I know
6 in Poindexter's case I called the police and I called
7 the Secret Service. I made several calls. I believe in
8 Fortier's case I did likewise. I called the local police
9 and asked them to drive there more frequently and to be
10 sensitive to incoming calls in case they were to receive
11 any. This did not give Don peace of mind by any means.

12 Q How about for Admiral Poindexter? How did he
13 feel about his own security? You said you made some calls
14 for him, too.

15 A He was very concerned about it. You know the
16 Chief of Staff had a bodyguard to protect him from outside
17 assaults and you could certainly make a good argument that
18 the National Security Adviser should be provided similar
19 protection. He has a similar rank. But that was
20 something that was too difficult to do to find any autho-
21 rity for that, any statutory basis for providing support.
22 So in the Admiral's case once again, the concern was not
23 so much for the personal well being of the officers
24 themselves, but more for their spouses and their homes.

25 in Poindexter's case, eventually his house was

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m30 1 put under surveillance and he received a more sophisticated
2 security system.

3 Q From the government?

4 A Well, I don't remember the details. I know it
5 was initially put in as all security systems have to be
6 for when you have classified information which you store
7 at your house, which he did. He had a secure telephone.
8 He had a PROFS terminal in his home and he had a lot of
9 files there. I think the White House Communication
10 Agency had that standard anyway. Whether that was
11 strengthened or not in Poindexter's case to include a
12 direct dialing system to the police, I believe turned
13 out to be done.

14 MR. BALLEN: Thank you.

15 BY MR. VAN CLEVE:

16 Q Commander, I know you have testified that you did
17 not see what we refer to as the diversion memorandum, that
18 is the April 4th, 6th or 8th memorandum which in fact
19 was undated, but which we have dated by context. I take
20 it you testified you did not see that memorandum prior to
21 November 24, I guess, 1986?

22 A That's correct.

23 Q Were you ever asked by Admiral Poindexter to do
24 any legal research relating to the question of the use of
25 proceeds of sales of United States weapons?

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A No.

Q Have I made that question general enough so you would construe it to include any aspect of the law related to a diversion such as the one we believe actually occurred?

A Yes, that's sufficiently broad. I asked the Admiral that same question myself on November 25th, why didn't he ask me to do legal research on that issue.

Q What did he say?

A He said he didn't want me, to involve me in that aspect of the operations.

Q Did you have any further discussion on that with him?

A No. Well, I did. I asked him whether he told the President or not.

Q What did he say?

A No.

Q Did you ask him whether or not he had authorized the diversion?

A No. I didn't ask him in those concrete terms. I asked him, after I asked if he had told the President and he said no, he went on to say the reason he didn't tell the President he said he felt confident the President would approve it. But it was an interesting few moments because he had for himself as the naval officer and as the

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m32 1 commanding officer of the ship, whatever you want to call
2 it, he had a standard of what we call inescapable
3 responsibility in the Navy which means you are inescapably
4 responsible for what any member of your staff does. I
5 was unable to tell whether or not he was just generally
6 aware of the diversion and North's knowledge of the
7 diversion or whether he was more extensively aware of it.
8 So it was not something the time was right to have an in-
9 depth discussion on it so I think each of us on the
10 immediate staff drew our own conclusions as to whether he
11 just had an inkling or whether he had an in-depth knowledge.

12 Q But you apparently were concerned enough about
13 it to ask him both why he hadn't told you and whether
14 or not he had ever asked you to do any legal work that
15 might have borne on the subject; am I right?

16 A Well, sure. I was -- I saw that as a prime
17 reason for his resignation or his request to be transferred
18 and one of my missions was to help him out in all areas, and
19 I was really just asking the question why didn't you ask
20 for my help in this area.

21 Q You were disappointed he hadn't confided in
22 you?

23 A Not necessarily disappointed. For all I know
24 he had sought and received advice of several other people.
25 I just didn't know that much at that time.

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m33 1 Q I am curious about, if I understood your answer
2 correctly -- and I am not trying to be difficult here but
3 I am trying to be as clear as possible -- I believe you
4 told us that you asked him whether or not he had ever
5 asked you to do any legal work that was connected with
6 this.

7 A But I said that in the context of your statement
8 was my question broad enough. My answer was yes, it was
9 broad enough because I asked the question of the Admiral
10 why didn't you involve me in this aspect of it. The
11 reason he would involve me would be because of my legal
12 background.

13 Q Right.

14 A So we never asked -- we never had a discussion
15 on the legal aspect of your question.

16 Q I follow, and I'm not looking for --

17 A My question to him was even broader than your
18 question to me.

19 Q I'm not looking for legal information. I think
20 I'm wondering was your reaction to finding out about the
21 fact of the diversion and the fact that the Admiral knew
22 about it one of personal concern?

23 A Personal and professional.

24 Q You were professionally concerned because the
25 Admiral hadn't, in effect, sought your advice. You were

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m34 1 personally concerned because you wanted to make sure
2 you hadn't inadvertently been asked to do something that
3 bore on this question; is that correct?

4 A I was pretty sure I hadn't been asked to. It
5 was not a question of being inadvertently asked.

6 Q It's always possible to be given a hypothetical
7 and not be given the facts and be asked to do something
8 without knowing what is really going on; isn't that true?

9 A Yes.

10 Q Isn't that fairly common actually?

11 A Yes. As you know from my deposition I had had
12 a similar involvement at the beginning involving the
13 January 17th finding I had been asked to research one aspect
14 of it only and not the rest. I think I was unable to
15 determine, as I said earlier, since I didn't have a good
16 feel for the extent of his knowledge himself and where he
17 was getting his knowledge from as to diversion, I therefore
18 was unable to make a determination as to whether I had
19 even been vicariously involved through a hypothetical
20 situation.

21 Q I understand. I think your reaction is
22 entirely understandable. Let me follow up a little bit.

23 When did the conversation occur, what date?

24 A November 25th.

25 Q Is this before or after the Attorney General had

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m35 1 asked you to do a computer search to determine whether
2 or not the President had seen or signed such document?

3 A I suspect it was during that time frame.

4 Q After you had been asked to do the search --

5 A Actually I had a number of conversations with the
6 Admiral. Even though he left the White House on the 25th
7 he really didn't leave until the following week. He was
8 in several times during that time period. I think I
9 asked those questions during the course of that week so
10 it's hard for me to pinpoint when that was. But certainly
11 there was from morning on the 25th on there was basically
12 a vacuum that existed in the front office of the National
13 Security Adviser and I was one of the few people that would
14 go in and talk to him as he was slowly phasing out. I had
15 conversations later on with him asking him how he felt
16 about this. He was very tired.

17 Q You can't tell us precisely when this conversation
18 occurred?

19 A No. There were lots of people in and out that
20 morning. I guess it was the 25th but --

21 Q I'm reluctant to extend this but I must say I have
22 reviewed both of your prior depositions in preparation for
23 coming here to see you this afternoon and I don't recall
24 this subject was discussed.

25 A What's that? ;

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m36 1 Q In any particular detail. Is that your
2 recollection?

3 A What particular subject?

4 Q The subject of this conversation with the
5 Admiral.

6 A No. I don't think I was asked about anything
7 remotely near that.

8 Q Okay. That's what I thought. I would ask you
9 some additional questions if you would permit me because
10 I think it's worth doing.

11 When the Admiral told you he had not told the
12 President about the diversion -- you are an attorney. You
13 have already described for us you immediately had a reaction
14 that had to do with the question of your own involvement.
15 Did it not occur to you then there would be a question
16 about the authority for those actions?

17 A The authority for which actions?

18 Q For having allowed this kind of diversion to
19 occur.

20 A Certainly, yes. There were lots of questions
21 that immediately arose in my mind.

22 Q But you did not ask the Admiral the question
23 where did you get the authority?

24 A No.

25 Q Or did you authorize this or anything like that?

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A No.

Q I take it you have not since asked him that question before testifying?

A No. I haven't talked to him since then and I wasn't aware at that point as to who else in government knew and what the basis for this action was. I was not, as you know, involved in legal rulings concerning the finding and that this was a component of the finding and I was likewise not involved in this.

Q That's all you have on this subject. Did you want to follow up on that?

MR. BALLEEN: Yes.

You said you didn't -- when you asked the Admiral about this he said he didn't want to involve you in the operational details.

THE WITNESS: Yes.

BY MR. BALLEEN:

Q That implies that you were involved in some other respect.

A I was involved in scheduling, administration, hostage release communications, sure. I was involved. For every night North stayed up I stayed up in the night too, talking to him on the phone.

Q I understand that. My question was those were

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A No. Those are not operational details. Those are administrative support details. The only reason I was doing that was because I was the military assistant to the National Security Adviser and wherever he was in the world, I was the one that stayed up all night on the phone.

Q You asked the Admiral why he didn't tell you about this diversion and his response, from what you said previously, was that he didn't want to involve you in operations.

A In that operational aspect of it.

Q Because your earlier response, maybe I took it down wrong, was he didn't want to involve you in operational details. I'm trying to get his precise words, whether he said to you I didn't want to involve you in that aspect of the operation or whether he said to you I don't want to involve you in operational details or maybe you don't recall the precise words.

A No, I don't. It was not -- I was not in there as a professional or legal counsel. I was in there as a friend saying Admiral, why didn't you talk to me about this.

Q What did he say to the best of your recollection?

A He just said I intentionally did not bring you in on this part of it. That's what he said.

Q Did he say I wanted to protect you from it or

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1 did he say I didn't do it -- what was his tone of voice?

2 A No. I didn't know at that point how much he
3 knew. If he just had an inkling of it obviously I would,
4 have no knowledge of it. That's why I went into this
5 thing of inescapable officers. At that time he might
6 have had strict liability and responsibility for those
7 people under him and therefore he automatically goes if
8 one of them develops problems. I didn't know on that day.
9 To me it appeared this was but one aspect, one element of
10 a much bigger operation that was going on by the CIA.
11 This was something that he may have had very remote
12 familiarity with. I just didn't know that. It just
13 happened to be leading up to the contras.

14 Q Not to come back to it, I don't have a clear
15 recollection of what your recollection is of what he said
16 to you. Try to remember the situation and what exactly
17 was said to you and how the conversation went without me
18 characterizing it.

19 A On which aspect?

20 Q This aspect of the diversion. You walked into his
21 office. Were you having a general conversation at that
22 time? I don't mean to belabor this but I don't have a
23 clear sense of what the conversation was about or how it
24 went.

25 A First of all, there was a discussion that morning

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m40 1 with Keel and me in which we both were shown a copy of
2 this diversion memo and he said this is the reason that
3 I'm leaving because this is a factor that is controversial
4 to the point that I find it doesn't make sense for me to
5 remain on as National Security Adviser.

6 I talked to Ed Meese and he agrees it's the best
7 thing for me to do so I'm leaving. That was the end of
8 that conversation.

9 Later on, most likely that day, perhaps that
10 afternoon or something, I said as he was basically isolated,
11 as you always are in a situation such as that, I said
12 Admiral, why didn't you talk to me about this? And he
13 said I intentionally kept you out of this. That's about
14 the best I can recall. He may have said I didn't want to
15 involve you in that operational aspect of it but I mean
16 he was well aware that I was aware of the overall finding
17 and he knew very well that I was involved in most of the
18 communications. It was just that particular diversion thing
19 that was new.

20 Q You said you discussed with him during this time
21 how he felt about what was transpiring. Was it in that
22 same conversation you asked him whether or not he informed
23 the President?

24 A Yes. I believe it was just about that same time,
25 yes. Because I was aware that Meese had just done a big

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41 1 search as to what the President knew. So I thought let's ask
2 the Admiral that afternoon, I think it was. The Admiral
3 did not leave the office that day. He stayed there
4 until late afternoon. In fact, we don't have his
5 schedule, but we had also asked for his schedule on the
6 25th. But he was there until quite late that day and I
7 talked to him several times.

8 Q You said you talked to him how he was feeling
9 about all these events. How was he feeling?

10 A Reflective, quiet. It's an interesting
11 question to ask someone whose ² just left such awesome
12 responsibility and such a lofty position in government to
13 suddenly having the plug entirely pulled, and I wanted to
14 know what his thoughts were at the moment. He just said
15 I'm very tired. I think, I have heard he testified pretty
16 much that he was pretty frazzled during that time
17 period and (he had) more energy he might have been able to
18 stay on and do things differently, but he just didn't.
19 It was a very intense period of time for everybody, which
20 it is anyway. This was just an added feature, this
21 Iran problem.

22 Q His mood was certainly not upbeat.

23 A No. There was a sense of relief, though. There
24 was definitely a sense of relief. He was not hopelessly
25 tied to that job and that office. There were many times

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m42 1 in the past he had expressed frustration to me and thought
2 about other things in life.

3 MR. VAN CLEVE: I want to move on to a couple
4 of other subjects if I might.

5 BY MR. VAN CLEVE:

6 Q Starting -- these have to do pretty much with
7 the period of November 20, through 25, these questions.
8 I'm going to try to be chronological but I may have to skip
9 around just a little bit.

10 Do you recall on the evening of November 20th
11 you had a number of phone conversations with Mr. Cooper?

12 A Yes.

13 Q Are you able to recall the nature of the concern
14 that Mr. Cooper was expressing to you at the time? As
15 we know now of course, the Attorney General met with the
16 President the very next morning apparently on this same
17 subject. I wonder if you could tell us in Mr. Cooper's
18 words if you can remember them but if not, in your own,
19 what precisely it was that Mr. Cooper was conveying to you
20 that he was concerned about.

21 A Well, he was concerned about the testimony of
22 Director Casey, which was to occur the next morning and he
23 wanted to insure that it was obviously accurate and that
24 there was consensus within the senior levels of the
25 Administration that everybody agreed that's what really

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1 happened.

2 Q Can you be a little more descriptive about it?
3 Did he say look, you know, Casey is over here and he's
4 going to testify this way and Shultz is over here and
5 he's going to do this?

6 A No. I was at the meeting when the testimony
7 was discussed on that Thursday afternoon.

8 Q I know.

9 A There was a disagreement between CIA and NSC,
10 specifically North and Casey, as to how to characterize
11 the request for the aircraft used in transporting the
12 Hawk items from Israel to Iran. Now that I have the
13 benefit of knowing that the finding in fact existed and was
14 signed but was never communicated to the CIA, I can
15 appreciate for the first time the reason for that
16 disagreement and misunderstanding. The CIA did not want to
17 go on record certainly with their two favorite oversight
18 committees, the fact that they had done an operation
19 without a finding. They had never been told that the fin-
20 ding, in effect, had been signed or had been superseded
21 by the January 17th memo or had been ratified or had been
22 encompassed by an oral finding or all these other
23 theories that are floating around town. Therefore they
24 did not want to have it appear that they just out of the
25 blue would take a phone call from somebody or make an

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m44 1 aircraft available, apparently.

2 There was a lot of discussion as to how to best
3 characterize that particular paragraph, which was early on
4 in Casey's testimony. And as I understand it, it wasn't
5 resolved during that meeting. Casey and North went out to
6 try to work on it, I think. My equity in this matter was
7 to insure that Poindexter was ready for his role, which
8 was to brief the two committees the next morning. And
9 Cooper was there. He and I went up I think to see Wallison
10 to fill him in on what was going on, and we were just
11 generally left without resolution of how to treat this fact.

12 Q I recall that those were the events of the after-
13 noon and I think you have previously testified to them.
14 My question had to do --

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1 Q I recall that those were the events in the
2 afternoon, and I think you testified to that, but my question
3 related to the evening phone calls. Let me start by asking
4 when Mr. Cooper called was he slightly concerned, somewhat
5 concerned, or very concerned, that the matters had not been
6 resolved? What did you take to be the level of his concern
7 about what was going on? By this time, of course, as we
8 know and I think you are aware, the State Department is
9 waiting and said they have gotten notes that demonstrate --

10 A I didn't know that until Cooper told me.

11 Q That evening?

12 A Yes. He told me that evening. Apparently State
13 had weighed in already with Wallison and with Cooper, but
14 they had not told me about this. If they had information
15 dealing with that aspect of it, it would have been helpful
16 if they would have told me. I was definitely trying to help
17 gather information on the events from the fall of '85.

18 To my understanding, the only two people that knew
19 anything about it were McFarlane and possibly North, although
20 he was very vague on this subject, and if Shultz had known
21 anything about this for a year or so, certainly in the last
22 couple of days it would have been helpful if he told me that.
23 Cooper did finally tell me on the evening of Thursday night
24 there was in fact State knowledge of the Hawk shipment.

25 I said, well, in that case, that needs to be

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1 confirmed by McFarlane. That is his rendition of it, and
2 incorporated into either the briefing or the testimony. So we
3 left it that I would call Poindexter, which I did, asked
4 him to call McFarlane to find out what his recollection of it
5 was.

6 Apparently McFarlane and Shultz had talked as long
7 as November of '85 in Geneva. Cooper and I talked a couple
8 of times and then finally Cooper talked directly to
9 Poindexter. Cooper's level of commitment was high, but it
10 was based partly on the fact that he did not yet, I believe,
11 have the testimony at hand. It was still coming down the
12 river, so to speak, and I think he was a little nervous.

13 It was late at night. The Attorney General was
14 out of town, and it was something that if you are not used to
15 11th hour of preparation of testimony you would get nervous
16 about, and I think he certainly conveys those concerns to
17 me, and I immediately called Poindexter and I know Cooper
18 and I talked one more time I believe, and I told him we
19 still had not heard from McFarlane.

20 McFarlane, during that time, was inaccessible.
21 He was out and about, but I don't know where he was. I
22 never did talk to him, I think, during the fall of '85, but
23 the only people that did -- North and Poindexter -- were
24 asked to try to get with him and work on the --
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1 BY MR. BALLENG:

2 Q The fall of 1986?

3 A '86, yes.

4 BY MR. VAN CLEVE:

5 Q Did Cooper ever express concern to you that someone
6 might in fact be prepared to intentionally misstate the facts
7 with respect to the Hawk statement?

8 A No. He was more lawyerly than that to me. He
9 depicted Casey's testimony as being inherently incredible,
10 which I think is a diplomatic way of saying what you were
11 asking me, but he couched it in those terms, meaning that we
12 are not that far from resolving the thing, but the way it
13 reads now, it just does not make sense.

14 The CIA would not respond the way they did,
15 providing support, unless they had more authority or some
16 basis for doing so, and of course, none of us knew at the
17 time that there could have been good basis -- the finding, in
18 other words -- which could have been added on to this whole
19 presentation. So I mean, it was clear that we had not yet
20 resolved it by midnight of Thursday night.

21 Q On the 21st you testified earlier today that you
22 were present when Admiral Poindexter ripped up what you now
23 believe may have been the finding that was signed on December
24 5, 1985 by the President. Is that correct?

25 A Yes. I am basing that on his testimony, and the

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1 coincidence seems to be there.

2 Q As we sit here, do you have any independent
3 recollection as to whether or not Colonel North was present
4 when that occurred?

5 A No, I just can't picture North at that meeting.
6 North rarely stood still for more than a couple of minutes,
7 and this was a meeting in which it was more of a strategy
8 meeting, and I think North could have been there or not. I
9 just don't recall. I was very preoccupied myself.

10 BY MR. BALLENG:

11 Q Earlier you testified North was there.

12 A The schedule shows North there.

13 MR. VAN CLEVE: He said he assumed North was there.

14 THE WITNESS: I assumed, based on Poindexter's
15 statement, and the calendar which shows the meeting with
16 North.

17 BY MR. VAN CLEVE:

18 Q But you can't say that you have a clear
19 recollection?

20 A No.

21 Q I notice that on Friday afternoon, the 21st,
22 there is a notation on Admiral Poindexter's schedule of a
23 meeting that began at, it says 1:27 p.m., lasting until 1:55
24 p.m. That is about a half hour, and Ron Sable and Paul
25 Thompson are listed as the attendees.

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1 Q Ron Sable, I gather, is one of the Congressional
2 Affairs people for NSC?

3 A Yes.

4 Q Paul Thompson?

5 A Yes.

6 Q Can you recall what the purpose of that meeting
7 was?

8 A Yes, the purpose was to comment on and cross-brief
9 Sable and Poindexter on the morning's briefings on the Hill.
10 I assume Sable went to those briefings with Casey. We would
11 normally have that happen, and he probably came back to report
12 to the Admiral as to how the briefings went.

13 Q Was there any discussion at that meeting of the
14 manner in which Director Casey had handled the question of
15 the 1985 Hawk shipment?

16 A No, I don't recall the discussion. It could very
17 well have been. I would imagine there would have been. I
18 don't think I ever saw Casey's final testimony, and I
19 certainly didn't see a transcript of what he said up there,
20 so I don't know the answer to that.

21 Q Was it your understanding by that point though,
22 that the Justice Department was satisfied on that question?
23 Let me just step back here. The Attorney General had met
24 with the President of the United States that morning to talk
25 about the 1985 shipments, correct? You knew that, didn't

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you?

A No.

Q I asked two questions?

A Two questions?

Q Take them in sequence.

A I was not aware of the meeting that Meese had with the President or the subject matter of it at all. All I knew was that we were trying to piece together what on earth happened during the fall of 1985, and the team from the Justice Department had become sufficiently disillusioned with the events in the last couple of days, such as the last minute testimony of Casey and the perceived inability that CIA, North and others had of putting together a final chronology and getting this thing moving, and they were aware of the increased congressional interest that they wanted to come in and try to do this themselves.

Q By the time that you and Ron Sable met with Admiral Poindexter, the Admiral, the Attorney General and the President had all met?

A Yes.

Q This subject had been discussed, and did you know at that point --

A No.

Q That the Justice Department was going to become involved?

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1 A No. I don't know when the Admiral told that. He
2 may have told me that and given me that accordion file
3 referred to earlier either before or after that meeting.

4 Q You just can't say with certainty one way or
5 another?

6 A No.

7 Q Whether he knew about the Justice Department
8 inquiry at that point?

9 A That is correct. It is ^Simportant to understand --
10 I don't know what is your understanding as to why the Justice
11 Department was over there.

12 Q If you will permit me, that is what I have been
13 trying to find out, is what your understanding is. If you
14 would like to tell me, this is a good time.

15 A Why don't you tell me what you want to know and I
16 will let you know if that is right?

17 Q Commander, you were considerably closer to these
18 events than I have ever hoped to have been.

19 A Has anyone ever asked Cooper or the Attorney
20 General as to why they were over there?

21 Q Mr. Cooper has been a public witness before the
22 committee? I can't summarize his testimony for you here.
23 I have been trying to get you to tell us your understanding
24 of these events today.

25 A Sure.

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1 Q That is really the subject of the deposition.
2 Without further ado, if you would like to describe it for us,
3 we would be pleased to hear your version.

4 A I have never yet to hear from anybody -- people
5 have said isn't it unusual for the Attorney General and his
6 team to be running around the White House looking at documents,
7 but I was just curious as to what their answer to why they
8 were over there was.

9 My understanding of it is that -- and first of all,
10 I met with the Attorney General in early November, and told
11 him that this was becoming an item of great interest, as he
12 well knew of course at that point, to lots of people, and I
13 wanted to find out from him -- I reminded him that he had
14 provided a legal opinion as to the finding, could now become
15 public, and that it would become necessary for us to rely
16 on him to provide the legal justification for the finding.
17 So I asked him for a point of contact, since certainly didn't
18 see myself dealing with him, but it was readily apparent to
19 me that we needed to have increased involvement with the
20 Department of Justice during the next several days.

21 He said he would have Kenneth Cribb, who was the
22 only other person there during this little exchange which
23 took place in our little suite of offices, call me in a couple
24 of days with a name, and that was done the following Monday,
25 I believe. I was told Chuck Cooper would be the person I

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1 would work with on this. And when Cooper came over, I
2 briefed Cooper and explained to him the fact that this was
3 a finding, a covert activity, it was not done pursuant to
4 other rules and regulations, because it was determined by
5 the Department of Justice or by the Attorney General that
6 that would be a way to do this particular operation.

7 He said he would have to go back and find the
8 various authorities. It was obvious that he was not
9 familiar with it at that time. He and I then worked closely
10 for the next several days and weeks in trying to bring
11 together the facts and the background on this thing so we
12 could respond to the evolving requests for information from
13 the outside world.

14 The Attorney General was obviously being brought
15 in more and more too, as time went by, because, as a senior
16 member of the Cabinet and the National Security Advisors,
17 one of the National Security Advisors to the President, he
18 was being called upon more and more to get involved. But the
19 point is from my vantage point I saw Cooper and Reynolds and
20 Richardson, and the Justice Department team, obviously there
21 to assist and be an extension of our legal shop, which is
22 very small in the NSC Staff, helping us to solve a problem.

23 But they also had their own parochial interests
24 in that the Attorney General had provided the legal basis for
25 this, and he wanted to make sure that he was able to continue
to defend the thing legally, so he had his own interest in

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1 pursuing this. So if you put the two together, it makes
2 sense for them to be over there. Neither of those standards
3 come anything close to a criminal investigation or even an
4 internal investigation, such has been referred to in the
5 press or elsewhere.

6 Q I follow --

7 A And that thing evolved. That is why they were
8 there for the testimony. That is the only reason they were
9 there for the testimony.

10 Q On the 20th?

11 A Yes. That is why Cooper was the recipient of
12 chronologies, testimony, everything else as it came along.
13 Everything I had I gave to him.

14 Q In a rather round-about way, Commander, you have
15 gotten to the point of my question of a few minutes ago.
16 That is, I am trying to determine whether or not on the night
17 of November 29th Mr. Cooper had adopted a somewhat different
18 perspective on his role because of what he had determined
19 about the State Department's views on the afternoon of
20 November 20th, and I can be more precise than that if I need
21 to, but you have just given a very good description of the
22 normal agency legal process with the Department of Justice.

23 They service as outside counsel. That is their
24 job. They were assisting you as outside counsel. What I
25 want to know about the night of November 20th is had they

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1 gotten to the point where outside counsel was beginning to
2 wonder how truthful his client was being to him?

3 A I think the words inherently incredible would be
4 certainly relevant to describe the fact that they had become
5 disillusioned with the flow of information from the fall of
6 '85, but it was still I think premature to pinpoint anybody
7 as being responsible for that, because the people that we
8 could tell that knew were the ones that had worked the
9 problem and they were no longer around, so I am just not sure
10 when he crossed over that threshold to say hey, I just don't
11 believe these things. Because, certainly to me, and I, by no
12 means at that point consider myself to be naive in this issue,
13 but I had not yet crossed over that threshold.

14 It still seemed to me that we were dealing with
15 a problem of transition between the National Security Advisors
16 and staff members and so forth, and it wasn't clear at all
17 that the finding, the evolution of the finding, was not
18 something that frequently occurs when you slowly evolve into
19 a covert action. You may test the waters first, you may have
20 any number of meetings, emissaries and so forth, and
21 eventually end up signing the finding, so on the face of it
22 that seemed still credible enough to me that my conversations
23 with Cooper did not tell me anything differently.

24 As I said, he never, until that evening, even told
25 me about State's concern, so I can't tell when he crossed that

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1 threshold. Right through Saturday, when I was there with
2 Reynolds and Richardson, I saw it as a two-pronged tee. They
3 were there to build their own case to justify their legal
4 advice and they were there to help us straighten out the
5 problem.

6 Q And that was basically how they described what they
7 were doing to you, is that the thrust of it?

8 A Sure.

9 Q On the 22nd, and you have testified about this
10 some, and I hope not to be repetitive, I want to ask you
11 first, when you met Colonel North that day, did he say any-
12 thing to you at all -- let me ask you this first, to step
13 back.

14 You indicated that when you went into the office
15 roughly at noontime, Colonel North was there. I took from
16 your manner a few minutes ago that you were a little bit
17 surprised to see him there. Were you surprised?

18 A No, I don't think so. He almost always came in
19 on Saturdays.

20 Q And did he say anything to you at all at that point
21 in a complaining sort of way about the shredder not working?

22 A No, I don't think he did. I don't remember when
23 we talked about the shredder. Someone told me during that
24 time period that the shredder was not working, but I don't
25 think it was North.

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1 Q When you say someone told you during that time
2 frame did you mean on November 22nd?

3 A No. During that weekend or after the fact. Maybe
4 it was after the fact.

5 Q Can you be more precise?

6 A No. I have tried to be. I just can't recall.
7 There were shredder conversations that took place as to was
8 North shredding, could North shred, did North have the access
9 to the originals to shred them. Did North have a shredder,
10 those sorts of questions.

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1 Q When did these conversations occur and with
2 whom?

3 A Throughout that week period. It occurred with
4 the press, with Brenda, with Rod McDaniel.

5 Q You were being asked about your knowledge on
6 that point within the next few days by various people? Is
7 that what you are telling us?

8 A Yes. I was unaware until I once again saw it
9 on television that North had actual access to original
10 documents. I thought he only had copies of documents,
11 and I explained to the press and other people during
12 that time period that I thought it was physically impossible
13 to shred documents in the definition of a document being the
14 original, because I said he would not have access to them.

15 It turned out that that was not the case, because
16 he did in fact have access to some.

17 Q But if I understand your previous answer, you
18 said that at about that time, meaning November 22nd or
19 within a few days thereafter, you recall someone having
20 told you that there had been a problem with the shredder
21 over that weekend?

22 Can you be any more specific than that?

23 A No. Brenda ^gReager came over on the Tuesday,
24 the 25th, and said she wanted to seal off North's office,
25 and it sounded like a reasonable request. She may have said

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1 there were reports of shredding, she may have said, "My
2 shredder doesn't work." She may have said that.

3 Q And I take it that at no time on the 22nd did
4 you observe Colonel North using the shredder.

5 A No, I have never seen him use a shredder.

6 Q Did you attend any part of lunch that
7 Admiral Poindexter and the Director had on November 20?

8 A No.

9 Q Did Admiral Poindexter, Director Casey or
10 Colonel North say anything to you at all about what was
11 discussed at that lunch?

12 A No.

13 Q Is it unusual for Admiral Poindexter, even on
14 a Saturday, to spend two hours at lunch with anyone?

15 A Yes, it would be unusual. That is a long time, but
16 if it is a discussion, then it wouldn't be unusual, and
17 if it is with one of his three major counterparts, then
18 I could easily see it happen. He would often spend hours
19 with Shultz.

20 Q You were in the office that day.

21 A Yes.

22 Q You recall seeing Director Casey when he came in?

23 A No, I don't. I must have been over with Brenda
24 or doing something else. I just can't remember seeing
25 him at all that day.

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1 Q Is the mess open on Saturday?

2 A Yes.

3 Q So that is probably where they had lunch.

4 A No, no, they had lunch in the Admiral's office.

5 Q In the office.

6 A I think so. I think it says on here.

7 Q You don't recall ever seeing Director Casey
8 either before, during or after the lunch?

9 A No, I don't remember.

10 Q Doesn't that suggest that you were probably
11 out of the office during the two-hour period?

12 A Yes, or out the door. My office was closed.
13 I was on the phone or in the deputy's office, not looking
14 out of my desk when he walked by.

15 Q Would it have been unusual for Colonel North
16 to attend the lunch between Admiral Poindexter and Director
17 Casey?

18 A No, certainly not in this time period when these
19 were the two people that were visibly involved in an
20 activity that was under such interest.

21 Q To your knowledge, Commander Thompson, did
22 Admiral Poindexter have the necessary pass word to use
23 System 4?

24 a Not to my knowledge.

25 Q And did you ever have the pass word for System 4?

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97

1 A No.

2 Q I take it then that you never did give the System
3 4 pass word?

4 A No.

5 Q And to your knowledge Admiral Poindexter never
6 gave any one the System 4 pass word?

7 A No.

8 Q And is it your testimony that at no time did you
9 destroy any documents that related to the Iran or the
10 contra issues?

11 A Absolutely not.

12 MR. VAN CLEVE: That is all I have.

13 MR. BALLEEN: Dick?

14 MR. GIZA: I will finish up with actually two
15 short questions.

16 BY MR. GIZA:

17 Q During your time working for Admiral Poindexter
18 when you were at the White House, did you ever sit in on
19 or hear any discussions concerning oral findings?

20 A No. The only time I even saw the word was when
21 the Attorney General used it, I believe, in December.

22 Q What about retroactive findings? Were you
23 knowledgeable of any findings that were made after the fact?

24 A No. I am not aware of any at all. Obviously
25 this one referred to earlier here today could be conceived

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1 as such. To my knowledge, this is the only piece of paper
2 that was ever dealt with in this particular manner. All
3 other findings came up through the formal [REDACTED] clearance
4 group, and ended up being processed from the DCI, from the
5 National Security Adviser through the NSC, if necessary,
6 to the President.

7 I am just not aware of any other items.

8 MR. GIZA: Thank you very much.

9 MR. VAN CLEVE: Nothing further. Thank you.

10 THE WITNESS: I would like to say that this is
11 my 13th appearance in front of either these committees
12 or the special prosecutor, independent counsel or grand
13 jury, and I have spent over 100 hours discussing these
14 issues, and I have done so in the light of cooperation,
15 as asked to by the President, and I certainly hope that
16 this has been time well-spent. Thank you.

17 MR. BALLEEN: I will just state for the record
18 this is your third appearance up here.

19 MR. VAN CLEVE: That's correct.

20 MR. BALLEEN: It is clear that you have had three
21 appearances.

22 THE WITNESS: I have actually met with actual
23 members and counsel to this committee on a fourth
24 occasion, and I have met with --

25 MR. VAN CLEVE: I might say, Commander, not to my

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1 knowledge.

2 MR. BALLEEN: Not to mine.

3 THE WITNESS: I am now stating for the record
4 I have done so.

5 MR. VAN CLEVE: If you would like to state for
6 the record who that was, I would be appreciative.

7 MR. BALLEEN: Me, too.

8 MR. VAN CLEVE: Because I can assure you I have
9 not been told that that occurred.

10 MR. BALLEEN: I have no knowledge of that either
11 so why don't you tell us about that.

12 THE WITNESS: I will tell you that I met on
13 June 18 of this year, I met with Senator Rudman and
14 Senator Pann, and the counsel for the Senate Committee,
15 Mr. Lehman, and Mr. Belnick in a session in which the
16 five of us had a very frank conversation.

17 MR. VAN CLEVE: Was there a transcript made of
18 that?

19 THE WITNESS: No.

20 MR. VAN CLEVE: Were notes taken.

21 THE WITNESS: Just by me. I then met with Mr.
22 Belnick and Mr. Smiljanich, Terry Smiljanich, on the
23 following Friday in June for what turned out to be a two-
24 hour session, in which we extensively scheduled a lot of
25 subjects, once again not recorded.

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bap-7

1 BY MR. VAN CLEVE:

2 Q Was this at the request of the committees, may
3 I ask or at your request?

4 A It was certainly at the request of the committees.
5 The meeting with the members cost me about \$250 to travel
6 here, and the meeting certainly with Mr. Belnick was at
7 his request. I should point out that even though, as has
8 been stated, I have only gone on record now for the
9 third time with this committee -- am I talking to the
10 House today?

11 Q That is correct.

12 MR. BALLEEN: When you finish, I will go on the
13 record in that regard.

14 THE WITNESS: I came up here on --

15 MR. BALLEEN: If I can help you, Commander --

16 THE WITNESS: Monday, March 9.

17 MR. BALLEEN: March 9 and April 28 are the two
18 times I was aware of prior to today.

19 THE WITNESS: I came up to the House side,
20 and I met with the House members on Tuesday the 28th of
21 April. I went to the Senate side to meet, as I understand
22 with the Senate side, and there was no Senate representatives
23 there. I talked to the House people.

24 MR. BALLEEN: Let me correct the record so that
25 you are clear on this and we are all clear. If you want to

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101

1 amend my remarks, you can. I think for the record this is
2 a joint investigation. On both your prior appearances
3 that were under oath, both on March 9 and April 28, they
4 were appearances even though one denominated on the Senate
5 side and one is denominated on the House side.

6 They were appearances where both the Senate and
7 House were notified and I believe on both of them -- I
8 know on the second one, they had representatives of both
9 present, and they were conducted pursuant to the joint
10 investigations.

11 Those were the only two that I knew of, and that
12 I believe that the House side knew about as having been
13 where your presence was requested. We were not informed,
14 the members of the House side, to my knowledge, were not
15 informed of these other meetings you had with the Senate.
16 I apologize for stating that you had only been up here on
17 two prior occasions, but that was my understanding,
18 and that is all that we were informed of.

19 MR. VAN CLEVE: I would just like to say for
20 the record as far as I know Mr. Ballen's comments are
21 entirely correct, commander. I am not aware that we were
22 ever notified by representatives of the Senate that your
23 appearance on two separate prior occasions had been
24 requested, because as a general proposition, it has been
25 our view that you have had interesting and unusual testimony

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bap-9

1 for the committee, and had we been so notified, I think you
2 can safely assume that a representative of the House
3 Committee would have been present, and so I would not
4 want to leave you with the impression that the House
5 gratuitously invited you here, yet again, despite your
6 full knowledge of these prior events that I have now
7 learned about for the first time 5 minutes ago.

8 MR. VAN CLEVE: May I ask on either of those
9 prior occasions -- I know they weren't recorded, but did
10 you describe for the representatives of the Senate the
11 testimony you have given today with respect to your
12 conversation you had with Admiral Poindexter about the
13 diversion?

14 THE WITNESS: No, I don't believe I did, no.
15 Each of those meetings were coordinated through White
16 House Counsel, which is supposed to be the central
17 clearinghouse for, as I understand it, both committees, and
18 for the White House, and I only proceeded through those
19 channels, so I am surprised to learn that you were not
20 aware that I had been up here, but the point is --

21 MR. VAN CLEVE: I am sure we are surprised.

22 THE WITNESS: If you count the various investigations
23 that were going on --

24 MR. VAN CLEVE: I would like to assure you we are
25 equally surprised.

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bap-10

1 MR. BALLEEN: I would like to join in Mr. Van
2 Cleve's remarks, and just say to you that this deposition,
3 had we been aware of previous meetings, this deposition,
4 A, might not have been necessary, or, B, might have been
5 conducted in a very different fashion, and because we
6 were not aware of your prior meetings, we brought you up
7 here today so that your number of times being brought up
8 here perhaps could have been less had we been informed
9 properly as we should have been.

10 MR. VAN CLEVE: Again, I would like to thank
11 you.

12 MR. BALLEEN: I would like to thank you in any
13 event.

14 THE WITNESS: After a while, this gets to be
15 quite a tax on my professional and personal life. It
16 gets expensive to keep coming back and going over the same
17 issues.

18 MR. BALLEEN: That's right, but I want you to
19 understand that that was not done from our part, because
20 as you just found out, we were unaware of two prior
21 extensive meetings you had with the Senate. We might have
22 been able to avoid today.

23 THE WITNESS: I want to also thank Tim Keating
24 here for being very helpful and being an extremely useful
25 conduit between me and the committees.

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MR. BALLEW: Thank you.

MR. VAN CLEVE: Thank you very much.

(Whereupon, at 4:00 p.m., the deposition was
concluded.)**UNCLASSIFIED**

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SECRET
 NATIONAL SECURITY COUNCIL
 WASHINGTON, D.C. 20506

6512 23 AUG 85
 PT Exhibit #1
 N 29812

August 23, 1985

INFORMATION

MEMORANDUM FOR PAUL B. THOMPSON

THROUGH: W. ROBERT PEARSON *3L*

FROM: DONNA M. SIRKO *DS*

SUBJECT: Congressman Barnes' Request -- Computer Search

UNCLASSIFIED

We've completed the computer search in all systems using the categories of NORTH + NICARAGUA + about a dozen individual keywords so that the search was narrowly focused, as was the request, but reasonable.

-- SYSTEMS I and II: All items are "filed" PA or White House. Of the 24 items (a number of duplicates because two or more keywords used in the individual searches appeared in the description line), another look reveals that in really broad terms maybe five need to be pulled. Descriptions are aid (no indication of what type) to resistance and funding, trip briefing, warfare manual. I've attached the profiles (first the possible five to be pulled, then the remaining) to give you a better picture.

-- SYSTEM IV: Items are "filed" institutional (I believe a part of "why?" is that if the documents were filed as PA or WH, they would be transferred to the Presidential Library for custody at the end of the administration; as institutional, they are ours). Of the 22 items, possibly four to be pulled (per Jim Radzinski's manual search). I've attached all profiles (he's not indicated which items would be considered) for your review.

-- CMC: Per Kevin Latham, the tape run has so far revealed nothing.

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 under provisions of E.O. 12356
 by K. Johnson, National Security Council

Attachments

Tab I Barnes' Request

Tab II BSR to JMP Memo

Tab III SYS I and II Profiles

Tab IV SYS IV Profiles

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ATTACHMENTS

TOP SECRET

20 AUG 85

6312

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

N 29813

August 20, 1985

UNCLASSIFIEDACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM:

BRENDA S. REGER *BR*

SUBJECT:

Barnes Request

5744

Before we can decide how to respond to Congressman Barnes' request for documents, we must determine whether any exist and are retrievable and, whether they are White House or NSC.

In past instances of allegations of this kind (e.g. Billy Carter and Libya, Dick Allen, etc.) we have treated the request as broadly based for all records whether NSC or White House but have maintained them as separate issues within the request. At the same time, the search should be as narrowly focused as was the request. In this case, Congressman Barnes has focused on "...documents, pertaining to any contact between Lt. Col. North and Nicaraguan rebel leaders as of...October, 1984."

There is unlikely to be a great deal of documentation such as is described but we should search the files only on that basis. Fishing expeditions in all files relating to Central America and/or Nicaragua are NOT necessary to respond to the request.

Secretariat usually does searches in response to Congressional requests, but in this case I can have Donna search NSC and Presidential Advisory files by computer here in my office and as Intel and CMC do the same in their files. I will brief Jim Radzinski and Rod's person on how to conduct the narrowly define search in their files.

Working files in staff member's offices are NOT subject to this or any other kind of searches since they are "convenience files" generally made up of drafts, and/or copies of documentation in the institutional and Presidential Advisory files. I therefore see no need to search whatever "convenience files" Ollie may have in his office.

Appointment logs and/or telephone logs however have become favorite targets of such inquiries (e.g. Zbig and staff in the Billy Carter thing, Wick, Ann Burford, etc.) and we must be prepared to deal with that issue. I wasn't involved in the handling of the issue for Zbig on Billy Carter but as I recall they "created" an excerpt listing of times and dates of telecons and meetings Brezinski and other staff had from their logs rather than provide the logs themselves. (We could check Kimmitt's files and/or ask him or Brezinski if you like.)

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It may be in our interest to be terribly forthcoming and bury Mr. Barnes in logs of dates and/or names re meetings and telecons or perhaps to offer to do so putting him on notice that the logs give times and dates but no substance.

Before we provide any response to Barnes, however, we need to know the scope of the documentation on contacts. Once we have that, the legal issues can be addressed.

Recommendation A

That you authorize me to start a search of the Secretariat, Intel, CMC files (both Presidential and NSC) as described above:

Approve

Disapprove

Recommendation B

That for now we limit the search on the appointment and telephone logs to Ollie sampling his telephone and appointment calendars to give us a sense of what they consist of and of the potential relevance to the request.

Approve

Disapprove

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PT Ex #2

N 29775 TO

N 29780

DENIED IN

TOTAL

5745

UNCLASSIFIED*Missing**15 Nov 86*

PT-3 is a working sheet,
perhaps related to a search done
in the NSC System IV Computer
during the summer of 1985

NSC # 29 775 through NSC # 29 779
and NSC # 29 780

EX # 3

The date Nov. 21, 1986 is listed in the middle of
the sheet

5746

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11/10/70

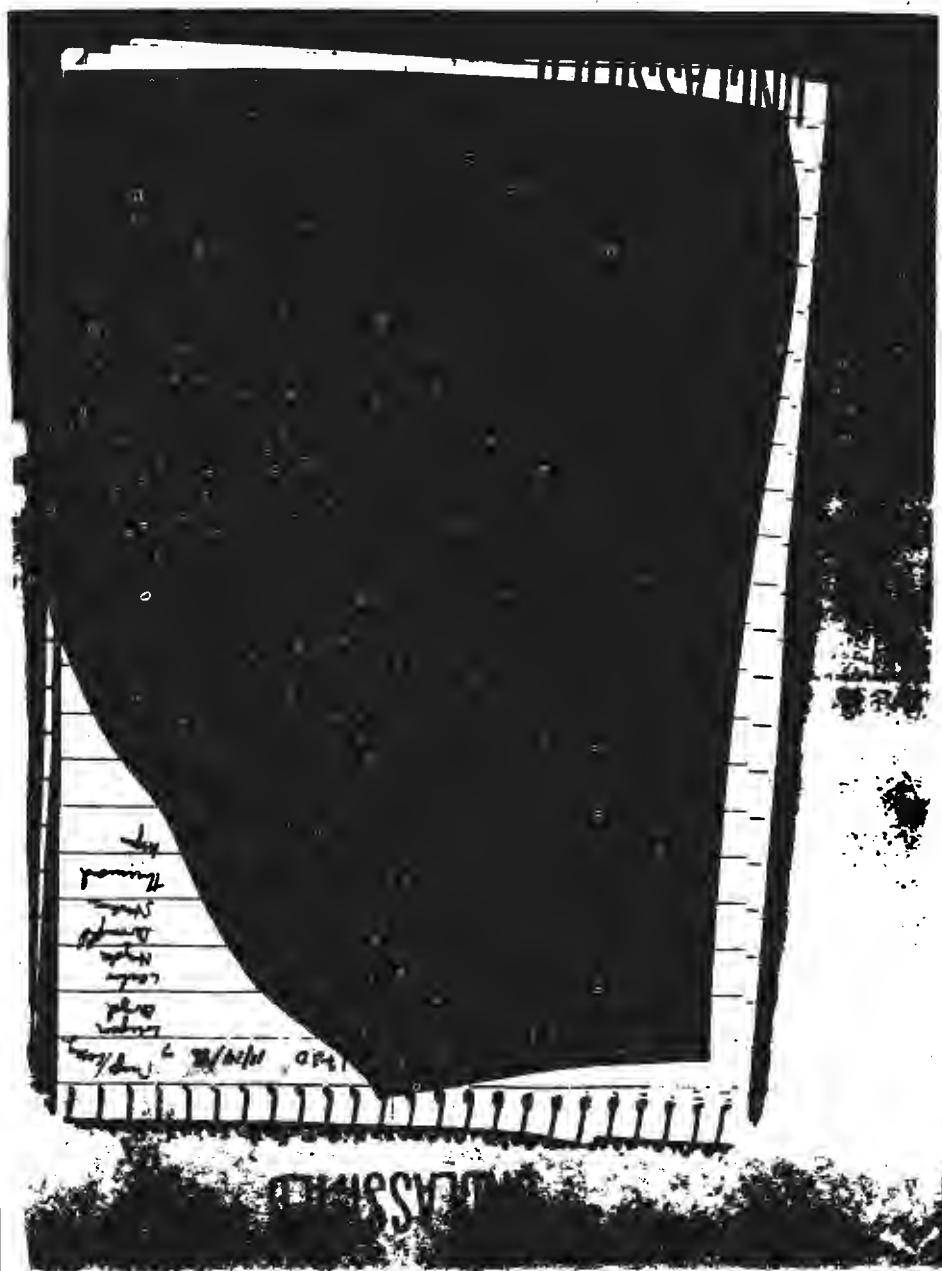
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11/13/86 PBT

21 following pages

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5 following pages

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11/21/88 PBT

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DENIED IN
TOTAL

11/21/86 PST

3 PAGES

DENIED IN
TOTAL

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PT Ex #4

ROUTING		
To	Name and Address	Date
1	Robert McFarlane	
2		
3		
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5		
6		
<input checked="" type="checkbox"/>	ACTION	FILE
<input type="checkbox"/>	APPROVAL	INFORMATION
<input type="checkbox"/>	COMMENT	PREPARE REPLY
<input type="checkbox"/>	CONCURRENCE	RECOMMENDATION
<input type="checkbox"/>	DIRECT REPLY	RETURN
<input type="checkbox"/>	DISPATCH	SIGNATURE
REMARKS		
cc: Oliver North (#2 and 3) Jim Radzinski (#4)		

N 1059

TOP SECRET SENSITIVE

TOP SECRET

NSC/ICS CONTROL NO 40000

COPY NO 3 OF 4

HANDLE VIA SYSTEM IV CHANNEL ON

**NSC INTELLIGENCE
DOCUMENT**

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Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

TOP SECRET

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MEMORANDUM

NATIONAL SECURITY COUNCIL

SYSTEM ID
NSC 150-41111

N 10592

April 11, 1985

TOP SECRET**SENSITIVE****ACTION**

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: FDN Military Operations

Attached at Tab A is a summary analysis of how the FDN has expended funds which have been made available since USG funding expired in May 1984. From July 1984 through February 1985, the FDN received \$1M per month for a total of \$8M. From February 2 to April 9, 1985, an additional \$16.5M has been received for a grand total of \$24.5M. Of this, \$17,145,594 has been expended for arms, munitions, combat operations, and support activities:

- most expenditures have been for purchases of arms, ammunition, and other ordnance items;
- the \$2.5M indicated for upkeep of base camps on the [redacted] borders includes costs of approximately \$350K per month (an expense which will increase as the number of recruits continues to grow) and \$50K for the operation conducted in Managua against the ammunition depot at the EPS military headquarters;
- the funding has allowed the growth of the resistance from 9,500 personnel in June 1984 to over 16,000 today--all with arms;
- when the May 1985 sealoft arrives (\$5M has already been deposited for this delivery), an additional 6,000 fighters can be equipped and fielded after a 3 week training period;
- the relocation of base camps along [redacted] border has been ordered for mid to late April 1985 in order to disperse the target for a Sandinista attack (cost for this relocation have not yet been fully quantified);
- the acquisition of two small transport aircraft at the cost of \$186K is prudent given the increased patrolling activity by the EPS along [redacted] border, thus complicating trail-borne resupply for columns operating deep inside Nicaragua.

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N 10593

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SENSITIVE

Summary of Operations to Date

The FDN has grown nearly twofold since the cut-off of USG funding. In this period, they have reoriented from conventional to guerrilla warfare tactics. Despite the lack of any internal staff organization (G-1, G-2, G-3, G-4) when the USG withdrew, the FDN has responded well to guidance on how to build a staff. Although there was a basic lack of familiarity with how to conduct guerrilla-type operations, since July, all FDN commanders have been schooled in these techniques and all new recruits are now initiated in guerrilla warfare tactics before being committed to combat. In short, the FDN has well used the funds provided and has become an effective guerrilla army in less than a year.

Future Operations

Plans call for remaining resources (\$7,354,000) to be used as follows:

- increasing the force to a total of 25,000 by mid-Summer;
- a major special operations attack against Sandoz airport with the purpose of destroying the MI-24 helicopters and the Sandinista Air Force maintenance capability;
- a major ground operation against the mines complex in the vicinity of Siuna, Bonanza, and La Rosita (Nicaragua)--the purpose of the operation is to secure the principal lines of communication in and out of Puerto Cabezas; and
- the opening of a southern front along the [REDACTED] border which will distract EPS units currently committed to the northern front.

It is apparent that the \$7M remaining will be insufficient to allow the resistance to advance beyond these limited objectives, unless there is a commitment for additional funds. The \$14M which the USG may be able to provide will help to defray base camp, training, and support expenses but will not significantly affect combat operations until early Autumn due to lead-time requirements. Efforts should, therefore, be made to seek additional funds from the current donors (\$15-20M) which will allow the force to grow to 30-35,000. If a commitment for these funds is made between now and June 1985, supplies could be ordered in July, allowing the force to reach these levels by the end of October 1985.

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TOP SECRET N 10594

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3

SENSITIVERECOMMENDATION

That the current donors be approached to provide \$15-20M additional between now and June 1, 1985.

Approve _____

Disapprove _____

Attachment

Tab A - Summary Analysis of FDN Expenditures

TOP SECRET

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SENSITIVE**UNCLASSIFIED**

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N 10596

As of April 9, 1985

FDN Expenditures and OutlaysJuly 1984 through February 1985

<u>Quantity</u>	<u>Item</u>	<u>Cost</u>
<u>Independent Acquisition</u>		
[REDACTED]	G-3 rifles	
	Magazines	
	Rounds 7.62 x 51	
	Rounds 7.62 x 51	
	Hand grenades	
<u>Airlift #1 - February 1985</u>		
[REDACTED]	81mm grenades	\$
	60mm grenades	
	50 cal API	
	Rounds 7.62 x 39	
	Rounds 7.62 x 51	
	Freight, Demurrage, Ins., etc.	
<u>Airlift #2 - March 1985</u>		
750,000	Rounds 7.62 x 39	\$ 210,000
1,000	RPG-7 grenades	265,000
8,910	Hand grenades	84,645
60	60mm mortars	96,000
	C-4	
	Fuses and detonators	
	G-3 rifles	
	G-3 magazines	
	Cleaning kits	
	60mm grenades	
	50 cal links	
	Freight, Demurrage, Ins., etc.	
<u>Sealift #1 - April Arrival</u>		
[REDACTED]	RPG-7 rockets	
	Rounds 7.62 x 39	
	Rounds 7.62 x 51	
	Belts for 7.62 x 39	
	SA-7 launchers	
	SA-7 rockets	
	M-79 grenades	
	Freight, Ins., and other exp	
[REDACTED]	M-79 grenades	

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N 10597

FDN Expenditures and Outlays
July 1984 through February 1985 (Cont'd...)

Quantity	Item	Cost
<u>Sealift #2 - May Arrival</u>		



Deposited paid
estimated cost

Rounds 7.62 x 39
Rounds 7.62 x 51
Rounds linked 7.62 x 51
Hand grenades
M-79 grenades
60mm grenades
81mm grenades
82mm grenades
RPG-7 rockets
Claymore mines
50 Cal API
12.7 ammo
57mm recoilless rifles
57mm ammo
Anti-tank mines
G-3 rifles
G-3 cleaning kits
AK rifles
G-3 magazines
AK magazines
Swedish K magazines
HK-21 machine guns
RPG-7 launchers
M-79 launchers
9mm pistols
AK-39 links or belts
C-4
Fuses and detonators

Miscellaneous Expenses Since July 1984

Uniforms
Boots
Radio and comm equip
Air and ground transp
Military gear
Aid to southern front
Aid to Misuras
Food, family asst,
upkeep of base
camps, air force
hospitals, etc.
Political activity -
offices in various
countries and cities
travel, p.r.
Acquisition two
transp airplanes



UNCLASSIFIED

UNCLASSIFIED6 Feb 88
PTEx #5

ROUTING			
To	Name and Address	Date	Initials
1	Robert McFarlane		
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<input checked="" type="checkbox"/> ACTION	FILE
APPROVAL	INFORMATION
COMMENT	PREPARE REPLY
CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE
REMARKS:	
cc: Oliver North (#2 and 3) Jim Radzinski (#4)	

TOP SECRET

N 9281

TOP SECRET

NSC/ICS CONTROL NO. 402003

COPY NO. 1 OF 4

HANDLE VIA SYSTEM IV CHANNEL O

**NSC INTELLIGENCE
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Unauthorized Disclosure Subject to Criminal Sanctions

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National Security Council
The White House N 9282

System # _____

Package # _____

	SEQUENCE TO	HAS SEEN	DISP
Paul Thompson	_____	_____	_____
Bob Kimmitt	_____	_____	_____
John Poindexter	<u>1</u>	<u>JP</u>	_____
Tom Shull	_____	_____	_____
Wilma Hall	_____	_____	_____
Bud McFarlane	<u>2</u>	<u>has seen</u>	_____
Bob Kimmitt	_____	_____	_____
NSC Secretariat	_____	_____	_____
Situation Room	<u>JP</u>	<u>3</u>	<u>JP</u>

I = Information A = Action R = Return D = Dispatch N = No Tort

cc: VP Meese Baker Deaver Other _____

COMMENTS

Should be seen by: _____

(Date/Time)

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N 928
THE WHITE HOUSE
WASHINGTON

Bud,

Except for the possibility
of the intelligence community
doing anything to assist the
Freedom Fighters I never
readily recommend I bring
up at CTR at 2:00 today.

Of course we could discuss
from the standpoint of keeping
the arms away from them
without any involvement of
Coke and Freedom Fighters.
What do you think? J

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UNCLASSIFIED**TOP SECRET**

MEMORANDUM

NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-40
Re-60

February 6, 1982

N 928

TOP SECRETACTION

MEMORANDUM FOR ROBERT C. MCFARELAN

FROM: OLIVER L. WORTH
SUBJECT: Nicaraguan Arms Shipments

The Nicaraguan merchant ship, MORINCO, is now in port at Taichung, Taiwan, where it is unloading cargo. It is set to depart on tomorrow.



At this point, there appear to be three options:

- The shipment could be seized and the weapons delivered the FDN;
- the ship could be sunk; or
- the shipment and the [redacted] parties involved therein could be made public as a means of preventing the delivery.

TOP SECRET
Declassify: OADR

UNCLASSIFIED

5 MAR 85
PT Ex 46

UNCLASSIFIED

TOP SECRET

MEMORANDUM

NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-400215

N 7184

March 5, 1985

TOP SECRETACTION

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: OLIVER L. NORTE

SUBJECT: [REDACTED] Aid to the Nicaraguan Resistance

Attached at Tab I is a memo from you to Secretaries Shultz and Weinberger, Director Casey, and General Vassco asking for their views on increased U.S. assistance. Your memo is cast as suggestion which derives from trip to the region.

The real purpose of your memo is to find a way by which we can compensate the [REDACTED] the extraordinary assistance they are providing to the Nicaraguan freedom fighters. At Tab II are end-user certificates which the [REDACTED] provided for the purchase of nearly \$8M worth of munitions to be delivered to the FDN. These nine documents are a direct consequence of the informal liaison we have established [REDACTED] and your meeting with he and [REDACTED]. The ammunition and weapons identified in these documents will be delivered in several shipments (2 by aircraft and 1 by sea) starting on or about March 10, 1985. All shipments will be delivered [REDACTED] be receipted for [REDACTED] and [REDACTED] over to FDN representatives [REDACTED] on arrival. Adolfo is convinced, and I agree, that [REDACTED] have not removed or withheld any equipment/munitions from the FDN deliveries which have occurred to date.

During one of the meetings [REDACTED] in which the process above was arranged, [REDACTED] presented a "wish list" of items which they desperately need in order to prosecute their war against the Cuban-supported guerrillas. A copy of the list is attached at Tab III. Each of the items identified are in priority within four principal categories: Aircraft, Ground Forces Equipment, Weapons and Munitions, and Non-Tactical Military Equipment.

Initially Declassified/Released on 10 Feb 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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Your memo at Tab I does not refer to the arrangements which have been made for supporting the resistance through [REDACTED]. It does, however, urge that we take steps now to improve their situation. Once we have approval for at least some of what they have asked for, we can ensure that the right people in [REDACTED] understand that we are able to provide results from their cooperation on the resistance issue.

RECOMMENDATION

That you sign and transmit the memo at Tab I.

Approve / Disapprove Attachments

Tab I - McFarlane Memo to Shultz/Wessmeyer/Casey/Vessey
 Tab II - [REDACTED] End-User Certificates
 Tab III - [REDACTED] Military Equipment Requirements

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1	Robert McFarlane	3/17	W
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APPROVAL	INFORMATION
COMMENT	PREPARE REPLY
CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE

REMARKS:

cc: Oliver North (#2 and 3)
Jim Radzinski (#4)

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EYES ONLY

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MEMORANDUM

NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ICS-400046

March 16, 1985

N 10618

TOP SECRETSENSITIVEACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Fallback Plan for the Nicaraguan Resistance

The plan attached at Tab I has been developed, pursuant to our discussion on Friday regarding fallback options. It is premised on the assumption of a major Congressional budget battle and an assessment that the Congress will not rescind the restrictions in Section 8066 of the FY-85 C.R. (Tab A). Should you determine in your meeting with Senators Durenburger and Lugar (Tuesday, March 19, 0730) that the Congress will not endorse a resumption of USG support to the resistance, the plan at Tab I provides a workable alternative.

Secrecy for the plan is paramount. We could not implement such an option if it became known in advance and it also mandates that present donors continue their relationship with the resistance beyond the current funding figure. The plan would require the President to make a major public pronouncement which, in turn, must be supported by other Administration officials, resistance leaders, and regional Heads of State once it has been announced.

RECOMMENDATION

That, if Durenburger and Lugar indicate an unwillingness to support resumption of USG aid to the resistance, you discuss the attached plan with Secretary Shultz following your meeting.

Approve _____

Disapprove _____

Attachments

Tab I - Fallback Option Plan

Tab A - Section 8066 of the FY-85 C.R.

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FALLBACK OPTION PLAN FOR THE NICARAGUAN RESISTANCE

Assumptions. The Congress is unwilling to support release of \$14M in USG funds for the purpose of supporting, directly or indirectly, military or paramilitary operations in Nicaragua. The FY-86 budget is seriously jeopardized by Congressional action and will require a major effort on the part of the President immediately after the MX vote through mid-July. There will be insufficient time or assets available to organize the kind of Administration-wide effort required to achieve an affirmative vote in both Houses on the Nicaraguan resistance program.

Section 8066 of the law (Tab A) expires on October 1, 1985. There are currently \$28M requested in the FY-86 intelligence budget for the purpose of supporting paramilitary operations by the Nicaraguan resistance. The current funding relationship which exists between the resistance and its donors is sufficient to purchase arms and munitions between now and October--if additional monies are provided for non-military supplies (e.g., food, clothing, medical items, etc.). The current donors will have to be convinced of the need to continue their funding for munitions after October 1, 1985. A commitment for another \$25-30M from the donors will be necessary for munitions in 1986 in anticipation that the \$28M requested in the intelligence budget is not approved.

Concept. In lieu of forwarding the report to the Congress required by Section 8066 of PL 98-473, the President would announce on or about April 2 that the American people should contribute funds ("...send your check or money order to the Nicaraguan Freedom Fighters, Box 1776, Gettysburg, PA...") to support liberty and democracy in the Americas. He would note that the monies raised would be used to support the humanitarian needs of those struggling for freedom against Communist tyranny in Central America. By necessity, the speech must be dramatic and a surprise. It cannot be leaked in advance.

Prior to the speech, the following steps must be taken:

- Calero, Cruz, and Robelo (the principle leadership of the Nicaraguan armed and unarmed resistance) must be covertly advised of this plan and must assure of their support.
- The Nicaraguan Freedom Fund, Inc., a 501(c)3 tax exempt corporation, must be established and obtain a Post Office Box 1776 in Gettysburg, Philadelphia, Valley Forge, or Yorktown. (This process is already underway.)

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H. J. Res. 648

P. L. 98-473

Ninety-eighth Congress of the United States of America

AT THE SECOND SESSION

*Began and held at the City of Washington on Monday, the twenty-third day of January,
one thousand nine hundred and eighty-four*

Joint Resolution

Making continuing appropriations for the fiscal year 1985, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled.

TITLE I

That the following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government for the fiscal year 1985, and for other purposes, namely:

Sec. 101. (a) Such sums as may be necessary for programs, projects, or activities provided for in the Agriculture, Rural Development and Related Agencies Appropriation Act, 1985 (H.R. 5743), to the extent and in the manner provided for in the conference report and joint explanatory statement of the Committee of Conference (House Report Numbered 98-1071), filed in the House of Representatives on September 25, 1984, as if such Act had been enacted into law.

(b) Such sums as may be necessary for programs, projects, or activities provided for in the District of Columbia Appropriation Act, 1985 (H.R. 5859), to the extent and in the manner provided for in the conference report and joint explanatory statement of the Committee of Conference (House Report Numbered 98-1088), filed in the House of Representatives on September 25, 1984, as if such Act had been enacted into law.

(c) Such amounts as may be necessary for programs, projects or activities provided for in the Department of the Interior and Related Agencies Appropriations Act, 1985, as a rate of operations and to the extent and in the manner provided as follows, to be effective as if it had been enacted into law as the regular appropriation Act:

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H. J. Res 645-29

N 10622

Army Reserve, Army National Guard or Air National Guard occupied by, or programmed to be occupied by, persons in an active Guard or Reserve status. *Provided further*, That none of the funds appropriated by this Act may be used to include (civilian) military technicians in computing civilian personnel ceilings, including statutory or administratively imposed ceilings, on activities in support of the Army Reserve, Air Force Reserve, Army National Guard or Air National Guard.

Sec. 8064. (a) The provisions of section 139(c)(2) of title 10, United States Code, shall not apply with respect to fiscal year 1985 or with respect to the appropriations of funds for that year.

(b) During fiscal year 1985, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any equivalent or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(c) The fiscal year 1986 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1986 Department of Defense budget request shall be prepared and submitted to the Congress as if sections (a) and (b) of this provision were effective with regard to fiscal year 1986.

(TRANSFER OF FUNDS)

Sec. 8065. Appropriations or funds available to the Department of Defense during the current fiscal year may be transferred to appropriations provided in this Act for research, development, test, and evaluation to the extent necessary to meet increased pay costs authorized by or pursuant to law, to be merged with and to be available for the same purpose, and the same time period, as the appropriation to which transferred.

Sec. 8066. (a) During fiscal year 1985, no funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.

(b) The prohibition concerning Nicaragua contained in subsection (a) shall cease to apply if, after February 22, 1985—

(1) the President submits to Congress a report—

(A) stating that the Government of Nicaragua is providing material or monetary support to anti-government forces engaged in military or paramilitary operations in El Salvador or other Central American countries;

(B) analyzing the military significance of such support;

(C) stating that the President has determined that assistance for military or paramilitary operations prohibited by subsection (a) is necessary;

(D) justifying the amount and type of such assistance and describing its objectives; and

(E) explaining the goals of United States policy for the Central American region and how the proposed assistance would further such goals, including the achievement of peace and security in Central America through a compre-

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H.J. Res 648-100

N 10623

heensive, verifiable and enforceable agreement based upon the Contadora Document of Objectives; and
 (2) a joint resolution approving assistance for military or paramilitary operations in Nicaragua is enacted.

(c)(1) For the purpose of subsection (b)(2), "joint resolution" means only a joint resolution introduced after the date on which the report of the President under subsection (b)(1) is received by Congress, the matter after the resolving clause of which is as follows: "That the Congress approves the obligation and expenditure of funds available for fiscal year 1985 for supporting, directly or indirectly, military or paramilitary operations in Nicaragua."

(2) The report described in subsection (b)(1) shall be referred to the appropriate committee or committees of the House of Representatives and to the appropriate committee or committees of the Senate.

(3) A resolution described in paragraph (1) introduced in the House of Representatives shall be referred to the Committee on Appropriations of the House of Representatives. A resolution described in paragraph (1) introduced in the Senate shall be referred to the Committee on Appropriations of the Senate. Such a resolution may not be reported before the eighth day after its introduction.

(4) If the committee to which is referred a resolution described in paragraph (1) has not reported such resolution (or an identical resolution) at the end of fifteen calendar days after its introduction, such committee shall be discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar of the House involved.

(5)(A) When the committee to which a resolution is referred has reported, or has been deemed to be discharged (under paragraph (4)) from further consideration of, a resolution described in paragraph (1), notwithstanding any rule or precedent of the Senate, including Rule 22, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution, and all points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

(B) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to reconsider the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(C) Immediately following the conclusion of the debate on a resolution described in paragraph (1), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

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H. J. Res. 648-101

N 10624

(D) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives as the case may be, to the procedure relating to a resolution described in paragraph (1) shall be decided without debate.

(6) If, before the passage by the Senate of a resolution of the Senate described in paragraph (1), the Senate receives from the House of Representatives a resolution described in paragraph (1), then the following procedure shall apply:

(A) The resolution of the House of Representatives shall not be referred to a committee.

(B) With respect to a resolution described in paragraph (1) of the Senate—

(i) the procedure in the Senate shall be the same as if no resolution had been received from the House; but

(ii) the vote on final passage shall be on the resolution of the House.

(C) Upon disposition of the resolution received from the House, it shall no longer be in order to consider the resolution originated in the Senate.

(7) If the Senate receives from the House of Representatives a resolution described in paragraph (1) after the Senate has disposed of a Senate originated resolution, the action of the Senate with regard to the disposition of the Senate originated resolution shall be deemed to be the action of the Senate with regard to the House originated resolution.

(8) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in paragraph (1), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(9) During fiscal years 1960 through 1965, no resolution described in subsection (b)(2) for the purpose of supporting, directly or indirectly, military or paramilitary operations in Nicaragua, shall not exceed \$14,000,000.

(10) The products of Indian industry may be made in open market in the discretion of the Secretary of Defense. *Provided*, That the products must meet present contract specifications.

Sec. 2048. None of the funds made available by this Act shall be used in any way for the leasing to, or Federal agencies in the United States aircraft or vehicles owned or operated by the Department of Defense when suitable aircraft or vehicles are commercially available in the private sector. *Provided*, That nothing in this section shall affect authorized and established procedures for the sale of surplus aircraft or vehicles. *Provided further*, That nothing in this section shall prohibit such leasing when specifically authorized in a subsequent Act of Congress.

Sec. 2049. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional

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DISPATCH	SIGNATURE

REMARKS
cc: Oliver North (#2 and 3)
James Radzinski (#4)

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Unauthorized Disclosure Subject to Criminal Sanctions

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THE WHITE HOUSE
WASHINGTONAPR 06 1987
BTM

April 6, 1987

MEMORANDUM FOR BRIAN MERCHANT

FROM: ALAN CHARLES RAUB *AR*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Document for Independent Counsel

I hereby authorize you to release to representatives of the Independent Counsel the original of the following document:

NSC System IV No. 401214.

Thank you.

cc: *[Redacted]* use, Jr.

[Redacted], III
Jr.
[Redacted]
Judy Hetherton

Declassified/Released on 11/16/88
under provisions of E.O. 12356
by K. Johnston, National Security Council

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To	Name and Address	Date	Initials
1	Robert McFarlane		
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CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE

REMARKS

cc: Cliver North (#2 and 3)
 Ken deGraffenreid (#4)
 Jim Radzinski (#5)

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NSC INTELLIGENCE DOCUMENT

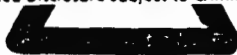


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Intelligence Sources and Methods Involved

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UNCLASSIFIEDNational Security Council
The White House

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Bob Kimmitt	<u>2</u>	<u>K</u>	
John Poindexter	<u>3</u>	<u>JP</u>	
Tom Shull		<u>/</u>	
Wilma Hall	<u>4</u>		
Bud McFarlane	<u>5</u>	<u>M</u>	<u>A</u>
Bob Kimmitt			
NSC Secretariat <u>Jim</u>	<u>7</u>		<u>R</u>
Situation Room <u>JP</u>	<u>6</u>	<u>JP</u>	
<div> I = Information A = Action R = Retain D = Dispatch N = No further Action </div>			

cc: VP Meese Baker Deaver Other _____

COMMENTS

Should be seen by: _____

(Date/Time)

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December 4, 1984

TOP SECRETACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Assistance for the Nicaraguan Resistance

In accord with prior understanding, I met on Wednesday, November 28, with [REDACTED]. Gaston Sigur arranged the luncheon meeting at the Cosmos Club and was present throughout.

As agreed, I explained to [REDACTED] our purpose in the meeting was to clarify questions which had been raised in [REDACTED] regarding an arms transaction destined [REDACTED]. I explained that an intermediary had advised that [REDACTED] apparently made a decision not to proceed with the [REDACTED] originated arms sale. This offer of purchase included 10 SA-7 missile launchers [REDACTED], 30 missiles, 1 training unit, and 10 tracking units.

[REDACTED] professed to be unaware of the Canadian transaction. I advised him that the purchase was not really intended for use by [REDACTED] but rather for the Nicaraguan Resistance Forces. Further, the intermediary had indicated that the problem appeared to be the number [REDACTED] military officers who are graduates of the [REDACTED]. As a consequence of the apparent reluctance to proceed with the sale showing [REDACTED] user certificate, the [REDACTED] arms dealer is [REDACTED] to re-initiate discussions for a similar delivery [REDACTED]. [REDACTED] was advised that the FDN would prefer to have the delivery as soon as possible, since the Soviet HIND-D helicopters were being assembled as we spoke.

[REDACTED] was further advised that Adolfo Calero, the Head of the FDN, was willing to commit to a recognition [REDACTED] once the Resistance Forces had succeeded. [REDACTED] indicated that he understood the message and would confer with the [REDACTED].

He observed, for the record, that [REDACTED] refused to become involved, in any way, in the internal affairs of another country. I indicated that we fully appreciated this position and noted that it was too bad that the Soviets, Bulgarians, and East Germans involved in Nicaragua did not feel the same way.

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Later that afternoon, MGEN Jack Singlaub (U.S. Army, Retired) visited to advise of two meetings he had held early in the day regarding support for the Resistance. Singlaub passed on the following points:

- [REDACTED]
- The FDN is in urgent need of anti-aircraft weapons and other crew-served weapons ammunition (particularly 60 and 81mm mortar rounds). Units in the field are also in need of large quantities of boots and clothing since the number of ralliers has exceeded expectations by 2,000.
- The Resistance Forces are also in urgent need of expertise in maritime operations.
- The USG is unaware of the Singlaub mission and he is making this request based on his long friendship [REDACTED]. Because of the law restricting USG involvement, no USG official can solicit on behalf the Resistance Forces.
- If [REDACTED] like to help, Singlaub can arrange a meeting with Adolfo Calero. If it is necessary for a USG official to verify Calero's bona fides, this can be arranged.

- [REDACTED]
- By agreement with Calero, Singlaub advised [REDACTED] since [REDACTED] had turned down the earlier FDN request for assistance [REDACTED], the Resistance movement had approached the [REDACTED].

- The Resistance still is in need of financial support, munitions, and training assistance.
- [REDACTED] this was a "considerably different situation" than that which he had been aware of earlier. While not committing to support, he noted to Singlaub that this new information might make a difference [REDACTED]

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This weekend, at the request of Sec. John Lehman, I met with Mr. David Walker, a former British SAS officer who now heads two companies (KMS and SALADIN) which provide professional security services to foreign governments. Walker had been approached several months ago, prior to initiating the current financial arrangement for the FDN. In addition to the security services provided by KMS, this offshore (Jersey Islands) company also has professional military "trainers" available. Walker suggested that he would be interested in establishing an arrangement with the FDN for certain special operations expertise aimed particularly at destroying HIND helicopters. Walker quite accurately points out that the helicopters are more easily destroyed on the ground than in the air.

Unless otherwise directed, Walker will be introduced to Calero and efforts will be made to defray the cost of Walker's operations from other than Calero's limited assets.

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III

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RELEASE OF AMERICAN HOSTAGES IN BEIRUT

Background. In June 1985, private American and Israeli citizens commenced an operation to effect the release of the American hostages in Beirut in exchange for providing certain factions in Iran with U.S.-origin Israeli military materiel. By September, U.S. and Israeli Government officials became involved in this endeavor in order to ensure that the USG would:

- not object to the Israeli transfer of embargoed materiel to Iran;
- sell replacement items to Israel as replenishment for like items sold to Iran by Israel.

On September 14, the Israeli Government, with the endorsement of the USG, transferred 508 basic TOW missiles to Iran. Forty-eight hours later, Reverend Benjamin Weir was released in Beirut.

Subsequent efforts by both governments to continue this process have met with frustration due to the need to communicate our intentions through an Iranian expatriate arms dealer in Europe. In January 1986, under the provisions of a new Covert Action Finding, the USG demanded a meeting with responsible Iranian government officials.

On February 20, a U.S. Government official met with [REDACTED]

the first direct U.S.-Iranian contact in over five years. At this meeting, the U.S. side made an effort to refocus Iranian attention on the threat posed by the Soviet Union and the need to establish a longer term relationship between our two countries based on more than arms transactions. It was emphasized that the hostage issue was a "hurdle" which must be crossed before this improved relationship could prosper. During the meeting, it also became apparent that our conditions/demands had not been accurately transmitted to the Iranian Government by the intermediary and it was agreed that:

- The USG would establish its good faith and bona fides by immediately providing 1,000 TOW missiles for sale to Iran. This transaction was covertly completed on February 21, using a private U.S. firm and the Israelis as intermediaries.
- A subsequent meeting would be held in Iran with senior U.S. and Iranian officials during which the U.S. hostages would be released.
- Immediately after the hostages were safely in our hands, the U.S. would sell an additional 3,000 TOW missiles to Iran using the same procedures employed during the September 1985 transfer.

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Partially Declassified on 11 Feb 86
under provisions of E.O. 12356
by K. Johnson, National Security Council

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In early March, the Iranian expatriate intermediary demanded that Iranian conditions for release of the hostages now included the prior sale of 200 PHOENIX missiles and an unspecified number of HARPOON missiles, in addition to the 3,000 TOWs which would be delivered after the hostages were released. A subsequent meeting was held with the intermediary in Paris on March 8, wherein it was explained that the requirement for prior deliveries violated the understandings reached in Frankfurt on February 20, and were therefore unacceptable. It was further noted that the Iranian aircraft and ship launchers for these missiles were in such disrepair that the missiles could not be launched even if provided.

From March 9 until March 30, there was no further effort undertaken on our behalf to contact the Iranian Government or the intermediary. On March 26, [redacted] made an unsolicited call to the phone-drop in Maryland which we had established for this purpose. [redacted] asked why we had not been in contact and urged that we proceed expeditiously since the situation in Beirut was deteriorating rapidly. He was informed by our Farsi-speaking interpreter that the conditions requiring additional materiel beyond the 3,000 TOWs were unacceptable and that we could in no case provide anything else prior to the release of our hostages. [redacted] observed that we were correct in our assessment of their inability to use PHOENIX and HARPOON missiles and that the most urgent requirement that Iran had was to place their current HAWK missile inventory in working condition. In a subsequent phone call, we agreed to discuss this matter with him and he indicated that he would prepare an inventory of parts required to make their HAWK systems operational. This parts list was received on March 28, and verified by CIA.

Current Situation. On April 3, Ari Gorbanifahr, the Iranian intermediary, arrived in Washington, D.C. with instructions from [redacted] to consummate final arrangements for the return of the hostages. Gorbanifahr was reportedly enfranchised to negotiate the types, quantities, and delivery procedures for materiel the U.S. would sell to Iran through Israel. The meeting lasted nearly all night on April 3-4, and involved numerous calls to Tehran. [redacted]

[redacted] A Farsi-speaking CIA officer in attendance was able to verify the substance of his calls to Tehran during the meeting. Subject to Presidential approval, it was agreed to proceed as follows:

- By Monday, April 7, the Iranian Government will transfer \$17 million to an Israeli account in Switzerland. The Israelis will, in turn, transfer to a private U.S. corporation account in Switzerland the sum of \$15 million.

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- On Tuesday, April 8 (or as soon as the transactions are verified), the private U.S. corporation will transfer \$3.651 million to a CIA account in Switzerland. CIA will then transfer this sum to a covert Department of the Army account in the U.S.
- On Wednesday, April 9, the CIA will commence procuring \$3.651 million worth of HAWK missile parts (240 separate line items) and transferring these parts to [REDACTED]. This process is estimated to take seven working days.
- On Friday, April 11, a private U.S. aircraft (707B) will pick-up the HAWK missile parts at [REDACTED] and fly them to a covert Israeli airfield for prepositioning (this field was used for the earlier delivery of the 1000 TOWs). At this field, the parts will be transferred to an Israeli Defense Forces' (IDF) aircraft with false markings. A SATCOM capability will be positioned at this location.
- On Saturday, April 12, McFarlane, North, Teicher, Cave, [REDACTED] and a SATCOM communicator will board a CIA aircraft in Spain (not Germany, enroute to Tehran). [REDACTED]
- On Sunday, April 13, the following series of events will occur:
 - U.S. party arrives Tehran (A-hour) -- met by Rafsanjani, as head of the Iranian delegation.
 - At A+7 hours, the U.S. hostages will be released in Beirut.
 - At A+15 hours, the IDF aircraft with the HAWK missile parts aboard will land at Bandar Abbas, Iran.

Discussion. The following points are relevant to this transaction, the discussions in Iran, and the establishment of a broader relationship between the United States and Iran:

- The Iranians have been told that our presence in Iran is a "holy commitment" on the part of the USG that we are sincere and can be trusted. There is great distrust of the U.S. among the various Iranian parties involved. Without our presence on the ground in Iran, they will not believe that we will fulfill our end of the bargain after the hostages are released.

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TOP SECRETSENSITIVE

- [REDACTED]
- [REDACTED] Gorbanifahr specifically mentioned that [REDACTED] efforts to "buy" the hostages could succeed in the near future. Further, the Iranians are well aware that the situation in Beirut is deteriorating rapidly and that the ability of the IRGC to effect the release of the hostages will become increasingly more difficult over time.
- We have convinced the Iranians of a significant near term and long range threat from the Soviet Union. We have real and deceptive intelligence to demonstrate this threat during the visit. They have expressed considerable interest in this matter as part of the longer term relationship.
- [REDACTED]
- *Sanitized* The Iranians have been told that their provision of assistance to Nicaragua is unacceptable to us and they have agreed to discuss this matter in Tehran.
- We have further indicated to the Iranians that we wish to discuss steps leading to a cessation of hostilities between [REDACTED] and Iraq.
- [REDACTED]
- The Iranians are well aware that their most immediate needs are for technical assistance in maintaining their air force and navy. We should expect that they will raise this issue during the discussions in Tehran. Further conversation with Gorbanifahr on April 4, indicates that they will want to raise the matter of the original 3,000 TOWs as a significant deterrent to a potential Soviet move against Iran. They have also suggested that, if agreement is reached to provide the TOWs, [REDACTED]
- The Iranians have been told and agreed that they will receive neither blame nor credit for the seizure/release of the hostages.

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-- The residual funds from this transaction are allocated as follows:

- \$2 million will be used to purchase replacement TOWs for the original 508 sold by Israel to Iran for the release of Benjamin Weir. This is the only way that we have found to meet our commitment to replenish these stocks.
- \$12 million will be used to purchase critically needed supplies for the Nicaraguan Democratic Resistance Forces. This materiel is essential to cover shortages in resistance inventories resulting from their current offensives and Sandinista counter-attacks and to "bridge" the period between now and when Congressionally-approved lethal assistance (beyond the \$25 million in "defensive" arms) can be delivered.

The ultimate objective in the trip to Tehran is to commence the process of improving U.S.-Iranian relations. Both sides are aware that the Iran-Iraq War is a major factor that must be discussed. We should not, however, view this meeting as a session which will result in immediate Iranian agreement to proceed with a settlement with Iraq. Rather, this meeting, the first high-level U.S.-Iranian contact in five years, should be seen as a chance to move in this direction. These discussions, as well as follow-on talks, should be governed by the Terms of Reference (TOR) (Tab A) with the recognition that this is, hopefully, the first of many meetings and that the hostage issue, once behind us, improves the opportunities for this relationship.

Finally, we should recognize that the Iranians will undoubtedly want to discuss additional arms and commercial transactions as "quids" for accommodating [redacted] Nicaragua, and Iraq. Our emphasis on the Soviet military and subversive threat, a useful mechanism in bringing them to agreement on the hostage issue, has also served to increase their desire for means to protect themselves against/deter the Soviets.

RECOMMENDATION

That the President approve the structure depicted above under "Current Situation" and the Terms of Reference at Tab A.

Approve _____

Disapprove _____

Attachment

Tab A - U.S.-Iranian Terms of Reference

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April 4, 1986

TERMS OF REFERENCE
U.S.-Iran DialogueI. BASIC PILLARS OF U.S. FOREIGN POLICY (Optional)

- President Reagan came into office at a time when Iran had had a certain impact on the American political process -- perhaps not what you intended.
- The President represented and embodied America's recovery from a period of weakness.. He has rebuilt American military and economic strength.
- Most important, he has restored American will and self-confidence. The U.S. is not afraid to use its power in defense of its interests. We are not intimidated by Soviet pressures, whether on arms control or Angola or Central America or Afghanistan.
- At the same time, we are prepared to resolve political problems on the basis of reciprocity.
- We see many international trends -- economic, technological, and political -- working in our favor.

II. U.S. POLICY TOWARD IRAN: BASIC PRINCIPLESA. U.S. Assessment of Iranian Policy.

- We view the Iranian revolution as a fact. The U.S. is not trying to turn the clock back.
- Our present attitude to Iran is not a product of prejudice or emotion, but a clear-eyed assessment of Iran's present policies.
- Iran has used "revolutionary Islam" as a weapon to undermine pro-Western governments and American interests throughout the Middle East. As long as this is Iran's policy, we are bound to be strategic adversaries.
- Support of terrorism and hostage-taking is part of this strategic pattern. We see it used not only against us, but against our friends. We cannot accept either. Your influence in achieving the release of all hostages, return of those killed (over time) is essential.

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- We see your activity in many parts of the world, including even Central America.
- The U.S. knows how Iran views the Soviet Union. But subversion of Western interests and friends objectively serves Soviet interests on a global scale.
- Thus, our assessment is that a decisive Iranian victory in the war with Iraq would only unleash greater regional instability, a further erosion of the Western position, and enhanced opportunities for Soviet trouble-making.
- The U.S. will therefore do what it can to prevent such a development. We regard the war as dangerous in many respects and would like to see an end to it.

B. Possible Intersections of U.S.-Iranian Interests.

- Despite fundamental conflicts, we perceive several possible intersections of U.S. and Iranian interests. I propose we explore these areas.
- First, the U.S. has had a traditional interest in seeing Iran preserve its territorial integrity and independence. This has not changed. The U.S. opposes Soviet designs on Iran.
- Second, we have no interest in a Iranian victory over Iraq. [REDACTED] We are seeking an end to this conflict and want to see an improved relationship with Iran to further that end.
- Third, we have parallel views on Afghanistan. Soviet policy there is naked aggression, a threat to all in the region. [REDACTED]

[REDACTED] BUT OUR objective is the same: the Soviets must get out and let the Afghan people choose their own course.

C. U.S. Objective Today.

- We have no illusions about what is possible in our bilateral relations. Perhaps this meeting will reveal only a limited, momentary, tactical coincidence of interests. Perhaps more. We are prepared either way.
- In essence, we are prepared to have whatever kind of

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SECRETSENSITIVEIII. SOVIET MILITARY POSTURE

- Moscow has designs on parts of Iran [REDACTED]
- Afghanistan illustrates the price the Soviets are ready to pay to expand areas under their direct control.
- Summarize Soviet capabilities along border and inside Afghanistan which could threaten Tehran.
- U.S. is aware of Soviet activity [REDACTED]
- Soviet plans [REDACTED] How they would do it.
- Iranian support to Sandinista regime in Nicaragua aids and abets Soviet designs -- makes U.S.-Iranian relationship more difficult (\$100 million in oil last year, plus arms).
- U.S. can help Iran cope with Soviet threat.

IV. AFGHANISTAN

- May be real value for Iran and U.S. to find ways to cooperate against Moscow in Afghanistan.
- U.S. can provide humanitarian assistance for refugees [REDACTED]
- We need to know who you work with, what you already provide, and devise strategy to exploit Iranian comparative advantage.

V. HANDBARE

- We may be prepared to resume a limited military supply relationship.
- However, its evolution and ultimate scope will depend on whether our convergent or our divergent interests come to loom larger in the overall picture.
- What does Iran want?

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STAFF INTERVIEW OF JACQUELINE TILLMAN

United States Senate
 Select Committee on Military
 Assistance to Iran and the
 Nicaraguan Opposition
 Washington, D. C.
 Thursday, April 2, 1987

The staff interview commenced at 5:20 p.m., when
 were present:

On behalf of the Select Committee:

Mark Belnick

Terry Smiljanich

On behalf of Jacqueline Tillman:

Alan Charles Raul, Esq.

Partially Declassified / Dec 23, 1987
 under process / E.O. 12356
 by B. [unclear] / [unclear] Security Clearance

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PROCEEDINGS

Whereupon,

JACQUELINE TILLMAN,

was called as a witness and, having been duly sworn by Raymond Heer, a Notary Public in and for the District of Columbia, was examined and testified as follows:

EXAMINATION ON BEHALF OF THE SELECT COMMITTEE

BY MR. BELNICK:

Q Jackie, would you state your name for the record?

A Jacqueline Tillman,

Q By whom are you employed?

A The National Security Council.

Q How long have you been employed by the NSC?

A I have worked there since February 15, 1984, a little over three years.

Q Would you give us the positions you've held on the NSC staff from the time you started working there until today?

A My title was Deputy Director for Latin America, and I have been promoted to Director for Latin America about six weeks ago, early February of this year, '87.

Q Now as Deputy Director of Latin American Affairs when you began what general responsibilities did you have?

A From February 1984 to early December 1984 I worked on Central American affairs and I switched to the South

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American countries in December '84.

Q What was the reason for switching to the South American countries?

A Two major reasons. I felt that there were a lot of interesting things happening in South America that needed more day-to-day attention and I was frustrated at my inability to fully participate in all aspect of policymaking at the NSC regarding Central America.

Q In your judgment what was the reason that you had been unable to participate, as you just described it?

A I don't really know why.

Q Did you attribute it in any way to Oliver North?

A I think Ollie had a very proprietary attitude about Central America.

Q Did you feel that he was in some ways trying to take over that account for himself?

A Sure, yes.

Q Now during the time that you were responsible for Central American affairs were there ever occasions when Oliver North signed your name to memos without your consent?

A Yes, there were.

Q How?

A Early, when I first started working there -- well, I'm not sure he ever actually signed my name. I think on the "from" line he would list you as part of someone who

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participated in the memo. And when I would come in in the morning and see these memos with my name on them that I knew nothing about and had not contributed to, I asked him to please not do that, and he did. He stopped using my name.

Q Let me ask you first during what time period did these incidents occur?

A It was early, when I first started working there; like, I would say, within a month or two I had this conversation with Ollie, saying please, if I haven't seen something I don't want my name being used.

Q Did he tell you why he had thought it okay to use your name without asking you in advance?

A Not really, not that I recall. I think I just -- to ascribe --

Q Only what you recall him saying.

A He just thought it strengthened the memo to have more names on it, more people agreeing to whatever was being discussed. And so he wanted to have all our names on it. I believe I'm the only person that that happened to.

Q Do you know of any others?

A I think most of us -- as I recall, there were occasions where Constantine's name -- you know, it would be Oliver North. Usually the first name on the "from" line would be the actual author of the memo, and then the others would be sort of concurring or had participated or commented

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or added a line or two, or whatever.

I think all of us at one time or another, Constantine, Ray, I guess, had similar experience.

Q Just so that it is clear, Jackie, when you referred to Constantine I think you just said his last name.

That is Constantine Menges?

A That's right.

Q And he was Director at that time?

A No, Constantine was Senior Director for Latin America, Special Assistant to the President.

Q You mentioned Ray as another one whose name you believe Ollie used on memos that Ollie wrote. Are you referring to Raymond Burghardt?

A Ray Burghardt, who started at the NSC about two weeks after I did, and was Director for Latin America, subsequently promoted to Senior Director.

Q Do you recall to whom Ollie North directed or addressed any of the memos to which he affixed your name without your prior approval?

A Almost all our memos went to either John Poindexter as the Deputy at the NSC or Robert McFarlane, who was the Assistant to the President for National Security.

Q Did you ever tell Admiral Poindexter or Mr. McFarlane that memos had been sent to either of them with your name but without your prior approval?

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A No.

Q Did there come a time, Jackie, in the spring of 1985 that you had a communication from someone named ~~Adreanna Guillen~~ -- G-u-i -- could you spell that, please?

A I believe it's G-u-i-l-l-e-n.

Q A communication from her that concerned Oliver North?

A Yes.

Q Would you first just tell us who Adreanna Guillen is?

A Adreanna is currently living in Washington. Her home is in Annandale. ~~She is a Nicaraguan~~ who left Nicaragua in 1981, I think, maybe '82 -- '81, I think -- and at the time was working very closely with the Meskito Indians and was somebody that I had known since December. I think I first met her December 1980 when she was a reporter for La Prensa and was interviewing Jeanne Kirkpatrick.

Q Were you working for ~~Ambassador Kirkpatrick~~ then?

A Yes.

Q Now let's go to the event in the spring of 1985 involving a communication from her to you. First, do you recall approximately when this occurred?

A It was, as best I can recall from looking at my calendars and so on, it was probably sometime in late spring 1985. A group of Meskito Indian leaders had been in

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Washington. Among them were [REDACTED]

[REDACTED] Well, you know, they are a whole English-speaking Creole community in this part of the country.

In any case, they were up and I met with them and we sort of reviewed work. Apparently Ollie met with them as well. A few days after they left Washington Adreanna and I saw each other and she told me that when they had met with Ollie they had talked about the need for funds to travel and to maintain themselves and to get the word out about what was happening to the Meskito Indians and so forth, and that Ollie had offered to make arrangements for them to receive money, and that the day -- I believe the day after -- they had met with Ollie they were told to come in front of the Old Executive Office Building on Pennsylvania Avenue and that they would be given some cash.

And apparently that did happen. They did go there the next day and a man named Rob Owen handed them an envelope with cash in it. I think it was \$2,000 or \$3,000. And I was very alarmed, to say the least.

Q She told you that this transfer of funds to them took place in front of the Old Executive Office Building?

A Right. It sounded like Rob was on the sidewalk, they pulled up in a car, and an envelope was handed to them with cash. And then they left.

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Q Why were you alarmed when you heard about this, when you heard this story from her?

A Because I thought it showed an incredible lack of judgment. I thought that this was the kind of thing that could impact very negatively on the Administration and on the President, and I thought doing it in the proximity of the White House was astonishing.

Q Did you take any action once you received this information from Adreanna Guillen?

A Yes. I went to a colleague, ~~Ken deGraffenreid~~, because I knew that Ken had a good working relationship and good personal relationship with Poindexter, and I told him about this incident, and told him I thought that I was very concerned that this sort of thing might be going on, and I thought it was very improper.

Q And you relayed to Mr. deGraffenreid the full story that you had just heard from Miss Guillen; is that correct?

A Correct.

Q And what was Mr. deGraffenreid's position at that time?

A Well, he agreed and he told me that --

Q What was his position at the NSC?

A I'm sorry. He was Senior Director for -- in the Intelligence Directorate and Special Assistant to the

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President.

Q Now what did Mr. deGraffenreid say after you related to him Miss Guillen's story?

A He agreed that this was improper and agreed to speak with Poindexter about it.

Q Did there ever come a time when Mr. deGraffenreid advised you whether he had spoken to Admiral Poindexter or not?

A Yes.

Q And what did Mr. deGraffenreid say to you?

A I don't remember how many days passed, but it seems to me it was probably about a week or so. I saw Ken in the hall or at a meeting or something, and he said, by the way, Jackie, I did talk to Poindexter about this, about what you raised with me, and he said that Ollie's wings were going to be clipped.

Q Mr. deGraffenreid told you that Admiral Poindexter had said to him that Ollie's wings would be clipped?

A Right.

Q Did you ever discussed this incident with Oliver North?

A No.

Q Why not?

A That's a good question. It never occurred to me to ask Ollie about this because Ollie was so clearly in

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control of everything. That's a very good question. Probably because I felt that whatever Ollie was doing, and if he was doing these sorts of things, that I would have very little ability to affect his thinking about what he was doing. I mean, by then I had had enough experience with trying to get a certain point of view across to Ollie unsuccessfully that it happened enough times that I suppose that at the time I felt it would have been futile.

Q Was Ollie in charge of the Central America account by then?

A It was more a shared account in the sense that the diplomatic assistance kinds of issues were still part of our directorate, although he had a say in those arenas, like the Contadora discussions and discussions with the Sandinistas. But those weren't primarily his account. He was mostly, I think, involved in military aspects of our policy, the support for the Contras, and military assistance [REDACTED] -- those sorts of issues.

He had what you might call primacy.

Q But you had switched to the South American account within your directorate, correct?

A Correct.

Q And Ray Burghardt had switched with you and taken over Central America?

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A Right.

Q I just want to ask you, as of or after the switch, or even before, did you feel any bitterness towards Oliver North because of the relationship that had developed between you at the NSC?

A Sure. It made me very unhappy. I remember saying -- and I say this all the time -- I think the goal of the NSC staff was to make sure that the NSC Advisor and the President get the best they can, and I felt that that required a collaborative effort because I thought that the various people working on these problems had different areas of expertise and skill, and I thought that collaborative efforts on most issues, as a matter of fact, would probably result in a very, very excellent piece of work for the President and the NSC Advisor.

Q Had you made those views known to Oliver North from time to time?

A Yes.

Q And the result?

A No change in behavior.

Q Did you at some point, or at any point, share with Bud McFarlane your concerns about Ollie North's way of working at the NSC staff?

A Not specifically. I approached it in a different way. I did say to him, Bud, I think you've got four very

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good people working on these issues. I told him where I thought our strengths were and what we brought to decisionmaking and NSC staff work, and I said that I thought that if we all worked together that he and the President could be assured of getting a very, very excellent product and analysis from us.

But I said I didn't think we were, and then I urged him to do that. And I got a very polite hearing.

Q And beyond that any response?

A No.

Q Jackie, you are familiar with the RIG, the Restricted Interagency Group, that met concerning Latin American affairs and Central America included during 1984 and 1985?

A Yes.

Q Were you invited to attend RIG meetings?

A No, not ordinarily. I would go if somebody was -- if I was the only person there, which happened on occasion if everybody was on travel.

Q Who chaired the RIG meetings on Latin America?

A The Assistant Secretary for Latin American Affairs. First it was Tony Motley and then Elliott Abrams.

Q When did Elliott Abrams take over? Do you recall?

A It was May 1985. I think March, May, somewhere around there, Elliott took over.

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Q I think it was '84.

A No.

MR. BELNICK: Off the record.

(A discussion was held off the record.)

BY MR. BELNICK: (Resuming)

Q When Secretary Motley chaired the RIG, at least from the time that you started working at the NSC, who attended from the NSC staff?

A Usually Constantine Menges and Ollie.

Q Were you invited to any of those meetings during the Motley period?

A Sometimes.

Q When Secretary Abrams took over the RIG, who attended the meetings, as far as you know, from the NSC staff?

A Ollie and Ray Burghardt.

Q Were you invited to any of those meetings?

A No. Those RIGs were almost always about Central America and covert actions were covered and so on, and so they were restricted. They were called Restricted Interagency Group.

Q How do you know that is what they were about?

A Because on occasion I, number one, would go to them, and occasionally there would be something that either Constantine or Ray would ask me about what do you think

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about this. This was brought up; do you have any ideas or whatever.

Q At any RIG meetings that you attended in 1985 was there discussion of how the Contras were faring on the ground in Nicaragua?

A I don't think so. I mean, if you are thinking about another incident, you've got your ears wrong.

Q Tell me.

A '84 -- no, wait a minute. I don't know where you're going. All right. In '85, did I go to any RIGs?

Q Where the Contras were discussed. Let's start with that.

A I assume so. I would have to check my records, but I assume so. I think that is a yes.

Q Did you take notes at any of the RIG meetings that you attended?

A Probably. I tend to do that.

Q And where would those notes be?

A In my office, in my safe.

Q Have you looked through any of those notes in response to any of these various document requests that have been made?

A No, but I'm going to this week because you just asked again. The first request we received was very specific. This one is very broad.

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MR. BELNICK: We will appreciate it if Jackie could review all of her records and notes and let us have --

MR. RAUL: Well, Mr. Belnick, as you know, we have circulated a new search request through the White House and NSC and in due course all responsive documents, I would anticipate, will be provided.

MR. BELNICK: I have no doubt.

BY MR. BELNICK: (Resuming)

Q Now, Jackie, was there an event during 1984 that you recall?

A Well, this related more to El Salvador.

Q Would you describe that?

A At the time there was a very cyclical pattern.

MR. RAUL: I would like to go off the record here for a second.

(A discussion was held off the record.)

MR. BELNICK: Back on the record.

THE WITNESS: There is a cyclical pattern to offenses with the guerrillas in El Salvador. What's the word I'm looking for? Alan, you're a lawyer.

MR. RAUL: I need a little more to go on.

(Laughter.)

THE WITNESS: There's a cyclical pattern to their offenses -- offenses, period -- there we go -- and

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normally when the rainy season is over you can expect one in the fall, and in the fall of '84 we started getting what I thought was some fairly good intelligence indicating that they were gearing up. Ammunition was being sent to them using various ways and routes from Nicaragua into El Salvador.

I felt that Ollie's evaluation of that intelligence was incorrect.

MR. BELNICK: Let's go off the record for a second.

(A discussion was held off the record.)

THE WITNESS: I felt Ollie's evaluation of the intelligence was overstated and I recall McFarlane going on TV, calling and saying there was a Tet offensive coming in El Salvador, and I felt that was incorrect. That was an incorrect analysis. I had been to a warning meeting, which is a monthly meeting that the CIA chairs -- interagency -- with analysts from the intelligence agencies, where this had been discussed, and the DIA analyst, whom I have a great deal of regard for, felt that this was the normal offensive, that there wasn't anything spectacular about it.

In conjunction with this offensive Ollie believed that we should be doing certain covert actions, which I don't believe are relevant to discuss here. I felt that they were very, very poorly conceived. I felt that they

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showed a very poor lack of judgment. I didn't think that they would necessarily work and thought that disclosure was probable and would cause the President difficulties in a period of time when he was in the middle of a reelection campaign for the Presidency.

And so I went to various people. There was to be a discussion of this at, I think they are called, the CPPG meetings, and so I remember speaking to a colleague on the Vice President's staff about my disagreement with this proposed course of action. And I spoke to Bill Casey about it. Ray Burghardt had better access to Poindexter than I did, and so I badgered Ray for about two weeks and Ray finally talked to Poindexter about it.

BY MR. BELNICK: (Resuming)

Q Now do you recall -- and we're coming close to the end of the examination, so just a few questions.

Do you recall in that connection that Ollie North had put the plan in writing?

A Well, there was a memorandum for the meeting that Ollie had written and I wanted very much to see it to see whether or not we could put a word of dissent, and I was not permitted to see it by Ollie. And I went across the street to Admiral Poindexter's office and by the time I got there he was on the phone with Ollie and he did not receive me.

Q And did you complain to Paul Thompson?

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A Yes, poor Paul. Yes, I did.

Q Did you complain to him about not being able to see this NSC document that Ollie had prepared?

A Yes.

Q And what did Commander Thompson respond?

A He was very embarrassed, but he said -- I mean, his body language was more eloquent than what he actually said. He just sort of threw his hands up in the air.

Q And said what can I do, in effect?

A Yes.

Q And did you ever get to see the document?

A No.

Q This was an official NSC document?

A Yes.

Q Did you ever have an experience like that with anyone else on the NSC staff in an area where you were involved?

A Well, I think what I was learning from this experience was that I wasn't involved and it was not too long after that that I switched my portfolio.

Q A few more questions. When you gave us the account some moments ago of the information Adreanna Guillen gave you you mentioned the name of the man whom she said had handed the cash over in front of the Old Executive Office Building, and I would like the record to be clear. Was the

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name she named Robert Owen?

A Yes.

Q And did you know Rob Owen at that time? Did you know who he was?

A Yes.

Q And who did you know him to be?

A I don't remember when I first met him, but he was working on the Hill for Senator Hatch, I believe.

Q Could it have been Senator Quayle?

A Quayle. Excuse me, yes. Yes, and I may have met him at something -- you know, a reception or whatever -- where Central America hands gather. In any case, he followed up our initial meeting. I don't remember where I first met him, but in any case he phoned me and asked to have lunch. I talked to him on the phone a couple of times.

I had lunch with him. I felt uncomfortable because I thought he was very operational and was interested about stuff and things that, I don't know I just didn't feel comfortable talking about.

Q Questions about John Hull and Eden Pastora; did he raise those at the lunch?

A Yes. Well, I don't know about lunch, but wherever, and the number of conversations, however many there were with him, he did ask about airfields and John Hull.

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Q And who were you working for at that time?

A I was an Executive Assistant to Ambassador Jeanne Kirkpatrick.

Q Do you know what Rob Owen's position was in the late Spring of 1985, for whom he was working, where he was working?

A No, I do not know.

Q Do you know what, if any, relationship Owen had with Oliver North at that time?

A How does one say it? I mean, the formulation in my mind was that Ollie, one of Ollie's boys. I mean, Ollie seemed to have people that were somehow connected with him and doing what, I didn't know, but I would see Rob from time to time, -- I would say maybe two or three times, I don't really recall -- in Ollie's office when I had an occasion to be in that office complex.

Q And it was from those sightings that you got an impression that he was "one of Ollie's boys"?

A Yes.

MR. RAUL: Jackie, if I could just for a second make sure the record is clear, did you -- you did not see the transaction in front of the OEOB; is that right?

THE WITNESS: I did not.

MR. RAUL: And did you speak with anyone who did see the transaction or participated in it?

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THE WITNESS: I believe Adreanna was there in the car.

MR. RAUL: So when she spoke to you or told you about it she had seen this transaction in front of the OEGB?

THE WITNESS: Yes, to the best of my recollection.

BY MR. BELNICK: (Resuming)

Q Now, lastly, do you recall that the Congress adopted what is known as the Boland Amendment, which came into effect, the Boland Amendment Two, in or about October 1984; do you know what I am referring to?

A Yes, I do.

Q When the restrictions that that amendment contained went into effect were there any meetings at the NSC, any staff meetings, which discussed what the effect of Boland would be on any NSC activities?

A On NSC activities?

Q Yes.

A Not that I am aware of.

Q Were there any meetings, were there any planning sessions or discussions of what to do with respect to Nicaragua, the Contras, in the light of the Boland restrictions?

A I believe so. I was not a participant, but I have some sort of memory of how can they keep going and what can be done, and where are we and what does this mean vis-a-vis

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our policy in Central America -- all those assessments, I believe, were taken.

Q Now you say you have a memory of that but you weren't a participant?

A Right.

Q Would you help me with that?

A Well, again, just as a way of background, directorates in the National Security Council are very small. There may be three, four people, professional people working on them, and the most -- I think in most of the directorates there's a great deal of communication about whatever it is that you are working on, and even though you specifically may be involved in one or two countries and not in the other two, it's important to have a notion about what is happening in case a staffer is on travel and something happens and you have to cover in that person's absence.

So I think there's a certain level of communication, and I think the record is very clear that the White House was concerned about how the Contras were going to survive in light of the aid cutoff and that private efforts were encouraged. The President participated in fundraisers. One that I recall -- I think it was Refugee Fund -- letters were written, different events where money was being raised, private efforts.

MR. RAUL: Jackie, do you know that the

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fundraisers were for the Contras or for, you mentioned, a refugee group? THE WITNESS: Well, I think they were for Nicaraguans involved in opposition to the Sandinista regime. Obviously there was humanitarian assistance being raised privately for them.

BY MR. BELNICK: (Resuming)

Q Did you hear discussions as to whether there were other countries being solicited to provide funds for any purposes?

A No.

Q The refugee support that you say the President participated in or tried to raise funds for, what occasion was that?

A As I recall, that was a private sector organization that had a fundraiser for Nicaraguans involved in opposition activities to the Sandinistas. The President did a drop-by, as we call them.

Q This was a public event?

A Yes, and made a few remarks.

Q You were there?

A No, I did not go.

Q How do you know that it occurred?

A He was on TV, for one thing, and because, again --

Q I wanted the record to be clear on that because

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what I'm really asking is do you remember any --

A I didn't go. I was receptioned out, I think, quite frankly.

Q Aside from public events and televised speeches and so forth, do you recall any discussions of meetings at the NSC, formal meetings, about what will United States policy be now that Boland II is in effect? How will we help the Contras, if at all, while these restrictions are in effect?

A Sure. I'm sure there were meetings about those.

Q Did you participate in them?

A I did not participate in any.

Q Did you hear the results of any of these discussions? Did anyone tell you we have decided at a meeting that we will do the following to keep the Contras viable for the next year or until Congress restores aid, if they ever do?

A Not as a decision. I mean, sort of as -- well, this is hard. I mean, it's hard to answer accurately because it is so conversational, you know. You have occasional staff meetings with your director, and you say well, the private efforts may be able to keep them going, but, you know how people arrive at that conclusion, whatever it was, in a meeting or whatever.

Q Let me try and make it more precise, then. Did

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you understand that the private efforts involved private donors giving money that could be used for military purposes by the Contras?

A No. I think we understood that there were some legal prohibitions about doing that, as I recall, but that they could probably receive what we are calling the generic term "humanitarian assistance".

Q So you never heard discussions at the NSC that efforts were being made to raise money for lethal or military assistance from private organizations?

A Not within the United States. I mean, my understanding was that if foreign governments or foreign entities, organizations, wanted to contribute in the military arena that that was permitted -- I mean, that they could obviously -- I mean, they were sovereign countries involved, or whatever, but whether or not they were actually beating the bushes for that or so on.

Q Can you remember anyone who gave you an understanding of what foreign governments could do permissibly?

A Was I formally told that in any way?

Q Yes.

A No.

Q Were any guidelines given to NSC staff members as to what was permissible and what was not permissible under

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Boland?

A Not to me.

Q You never saw a memo to that effect?

A No.

Q You never attended a staff meeting where somebody said here is what is allowable and what is not allowable; is that right?

A Yes. I never attended such a meeting.

MR. BELNICK: Mr. Raul, do you have anything?

MR. RAUL: No. I just want to thank you for giving us this opportunity to testify fully and to note for the record that Miss Tillman appeared voluntarily pursuant to your request. I assume that we will get a copy of the transcript of this deposition?

MR. BELNICK: Yes, you will get a copy of the transcript and I want to say something in addition to saying you are welcome and thank you. Not only did Miss Tillman appear voluntarily but she appeared before today for an interview also voluntarily, and I want to thank her for her time and apologize to the extent we have taken you away from your duties on two occasions. And thank you for your cooperation with the Committee's inquiry.

THE WITNESS: I have something I would like to say for the record. I believe everything I have said here is true, but I would like to qualify it to this extent: Life

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at the NSC is very exhausting. We work -- I would like to quote McFarlane: We work long hours. The working conditions are awful, but the pay is bad.

(Laughter.)

THE WITNESS: And dates, events, we go to many meetings and if you're tired sometimes you work very late into the night.

MR. BELNICK: Jackie, I understand that.

THE WITNESS: I just wanted to make sure. I am an honest person and to the best of my ability today this is my recollection. Okay?

MR. BELNICK: Absolutely. Anything else?

THE WITNESS: No.

MR. BELNICK: Then let me thank you again.

(Whereupon, at 6:00 p.m., the taking of the instant deposition ceased.)

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